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Italy Banks On a Role In the Birth Of the Euro

But Tensions Grow About Rome's Ability To Join the Pioneers

By Celestine Bohlen
New York Times Service

ROME — With its return to Europe's currency grid after four years out in the cold, the Italian lira on Monday inched closer to the postposts set for the first currencies eligible for European monetary union in 1999.

But if the lira's two-day ordeal in Brussels this weekend was any indication, Italy still has a long way to go before it can convince its European partners — Germany especially — that it too can be a founding member of the common-currency club.

"It is certainly not a comment on Italy's qualification for monetary union," said Hans Tietmeyer, president of the Bundesbank, at the end of a weekend of contentious meetings by top European finance officials to put the lira back into the exchange-rate mechanism.

Some analysts said Monday that the struggle over the lira was just another sign that the race toward monetary union was getting ugly. Not only Italy, but Spain, France and even Germany itself are having trouble meeting the guidelines set down by the Maastricht treaty for a single currency, in particular the requirement that public deficits be no more than 3 percent of gross domestic product.

Others concluded that the negotiations over the lira's re-entry — which proved significantly more difficult than the admission not long ago of the Finnish markka — had to do with lingering questions about whether Italy, which is known for its heavy debt and fiscal profligacy, has the will and fiscal fortitude to stay the course set down at Maastricht.

Add French and German resentment over the benefits reaped by Italian exporters after the lira's devaluation in 1992, and from the Italian point of view, that is sufficient grounds for a conspiracy theory.

"There isn't anyone in the chancelleries of Europe who does not know that one of the conditions for the success of the euro is that Italy remain outside," wrote a commentator in the daily *Il Messaggero*. "First of all, neither the Germans nor the French want us."

In Paris, however, a senior official of the Bank of France urged setting aside the European Union's differences and pushing instead for a strengthening of the dollar against all European currencies to stimulate growth and jobs. (Page 13)

Since membership for two years in the exchange-rate mechanism — a system that limits currency fluctuations to a range of 15 percent in either direction — is among the Maastricht criteria, the re-entry of the lira, which fell out of the currency band four years ago, was crucial to Italy's candidacy for the 1999 monetary union. According to the treaty, countries must show that they have met the criteria by early 1998.

For the center-left government headed by Prime Minister Romano Prodi, which has set currency union as its top priority, getting the lira back into the exchange-rate mechanism was a victory of sorts, even though the rate agreed upon this weekend — 990 lire to the Deutsche mark — will mean a stronger lira than the Italians had hoped for.

As soon as the decision was announced late Sunday night in Brussels, Mr. Prodi issued a statement calling it a "consequence of the seriousness of our economic policy and the stability we have given the country."

Some of Mr. Prodi's opponents were sniping Monday at the Brussels results.

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Pacific Talks End in Push For Free Trade In Technology

By Michael Richardson
International Herald Tribune

MANILA — After intense pressure from the United States and Japan, Asian and Pacific leaders issued a joint call Monday for the speedy conclusion of a global pact to "substantially" free the \$500 billion annual trade in computers and telecommunications equipment by 2000.

U.S. officials said that the call by the 18 leaders of APEC, the Asia-Pacific Economic Cooperation forum, would provide major political impetus for concluding a comprehensive information technology agreement by the first ministerial conference of the World Trade Organization to be held in Singapore from Dec. 9 to 13.

Some officials of APEC nations with developing economies said the wording of the agreement adopted by the leaders was deliberately ambiguous to allow concerned countries to negotiate exceptions and delays to protect sensitive sectors of their computer, semiconductor and telecommunications industries.

Such countries as Malaysia, China, Indonesia and Chile fear that sectors of their industries could be overwhelmed by Western and Japanese producers under a free trade accord, unless they were protected.

Reconciling their concerns with U.S.-led demands for virtual free trade by 2000 will be difficult, analysts said, adding that negotiations were likely to go down to the wire in Singapore.

President Bill Clinton, who traveled Thursday to Thailand, said that the APEC endorsement was "a big deal" that would increase America's information technology exports, create more and higher paying jobs in the United States, and provide cheaper products to consumers worldwide.

APEC economies account for half the world's output.

"I'm especially pleased that today the APEC leaders endorsed the early completion of an information technology agreement," Clinton said. "It is a significant step toward the goal of free trade in information technology products and services."

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Prime Minister Goh Chok Tong of Singapore, left, shaking hands with the acting Thai leader, Banharn Silpa-archa, in Subic Bay on Monday, while Mr. Clinton clapped the Taiwan delegate, Koo Chen-fu, on the back.

Beijing's 'Panda' Stymies Clinton

No Leeway for Jiang No Talks for Shattuck

By Patrick E. Tyler
New York Times Service

BEIJING — President Bill Clinton can sympathize with Jiang Zemin.

The 70-year-old Chinese president and Communist Party boss has no mandate at home to chart any new course in foreign or domestic policy and his ability to lead China into the next century is an open question. His critics call him "the panda," and his staff complains that he never initiates policies, he just responds to pressure.

Mr. Clinton, who just emerged from a re-election campaign where the same questions were raised about his leadership, might have had a sense of "I've been there" last weekend in Manila as he saw the Chinese leadership stall on the substantive issues that divide the two nations.

With a new chapter opening in U.S.-China relations, Mr. Clinton's 85-minute discussion with Mr. Jiang in Manila on Sunday affirmed, if nothing else, that China is in the midst of a paralyzing leadership transition in which Mr. Jiang's power remains weak and may not be consolidated until late next year, if then. Though Mr. Clinton has sent every

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By Michael Dobbs
Washington Post Service

BEIJING — Two and a half years ago, John Shattuck, an assistant U.S. secretary of state and the Clinton administration's top human-rights official, drew attention to political repression in China by meeting with its most prominent democracy advocate in a Beijing hotel.

The reaction of the country's hard-line Communist leaders was fast and furious. The dissident, Wei Jingsheng, was arrested and is now serving a second 14-year prison term for counterrevolutionary activity. U.S.-China relations took a nosedive from which they are only now beginning to recover.

Mr. Shattuck was back in Beijing last week, part of a delegation headed by Secretary of State Warren Christopher. This time, he did nothing to antagonize his hosts. Instead of organizing his own meetings with human-rights activists, he was one of several State Department officials who accompanied the secretary to meetings with Chinese leaders.

The low profile for Mr. Shattuck in Beijing reflects the nuances and contradictions in President Bill Clinton's human-rights policy as he approaches his second term. Mr.

See RIGHTS, Page 10

U.S. Plans to Intensify Curbs on Air Pollution

By Maria Cone
Los Angeles Times

LOS ANGELES — In its most far-reaching environmental initiative yet, the Clinton administration is to announce this week tougher controls on sources of smog in hundreds of American cities.

The long-awaited new limits on ozone and particulates — two of the United States' most pervasive air pollutants — will establish more rigorous requirements for what is considered healthy air.

The administrator of the Environmental Protection Agency, Carol Browner, plans to sign a proposed rule as early as Tuesday, unleashing a fierce, nationwide debate that will culminate when a final version is adopted in June.

Even before the proposal has been unveiled, it has been under attack by a broad array of special interests, including more than 500 powerful corporations and business groups — led by General Motors, Ford, Chrysler, Chevron, Mobil and other oil companies — as well as many governors and members of Congress.

Industry leaders say that tightening the health

standards will launch the United States on a multi-billion-dollar mission of trying to clean up pollution to unrealistic levels.

The ozone standard that drives most of the U.S. smog programs has remained unchanged since Jimmy Carter was president, while the standard that limits particulates is a decade old. Since then, scientific data have shown that the two existing standards are too lax to prevent serious harm, such as children suffering breathing problems from playing

standards will launch the United States on a multi-billion-dollar mission of trying to clean up pollution to unrealistic levels.

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Mexico City's Sky Just Keeps Getting Darker

By Molly Moore
Washington Post Service

MEXICO CITY — This is what life has come to in a city that had 321 bad-air days last year. Joggers in city parks wear face masks; children at the U.S.-run American School play inside a giant glass bubble; a clear sky is front-page news.

That is on the good days. On bad days, the government warns residents to leave town or stay inside their houses with the windows shut. It dispatches extra staff to city health clinics to meet the

crush of patients and it bans the operation of automobiles, industries and gasoline stations.

"No end to pollution misery," a recent newspaper headline in the capital read. Barely two weeks into the year's most intense season for air pollution — city officials issued five consecutive days of emergency alerts. It was the longest continuous period in the six years of the warning system. The alerts close industries and cut back car usage when pollution is two and a half times the maximum considered safe by the World Health Organization.

This year marks a decade since the city officially

recognized its air-pollution crisis and initiated controls, dedicating hundreds of millions of dollars and a bottomless pit of political promises to the life-threatening problem. Yet Mexico City and its 22 million inhabitants are facing one of the worst winters of pollution — and the season has only begun.

WHO has ranked the air of Mexico City as the most contaminated in the world. In each of the six categories of pollution, from ozone to suspended particles, Mexico City's levels are at least double

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In Belarus, Voters Give President Vast Powers

Referendum's Passage Seems to Set Stage for Constitutional Crisis

By Lee Hockstader
Washington Post Service

MOSCOW — Voters in the former Soviet republic of Belarus have overwhelmingly approved a new constitution that would give the country's authoritarian president vast powers to crack down on his political opponents and would make him a cabinet member for life, according to results announced Monday.

Slightly more than 70 percent of voters gave their approval to President Alexander Lukashenko's proposed constitution in a referendum Sunday, despite the heated objections of opposition lawmakers, the courts and international human rights groups. Turnout was reported at 84 percent.

The vote appeared to nudge the country of 10 million people a step closer to a constitutional crisis, one that has already raised fears in Moscow that Russia might be forced to intervene if the showdown gets out of hand.

The United States refused Monday to recognize the outcome of the referendum. Agence France-Presse, reported from Washington, a State Department spokesman, Glyn Davies, said the referendum was "deprived of legitimacy" because there had been no open debate on the proposed constitutional change and the text of the referendum question had not been handed to many voters.

Mr. Lukashenko, 42, a former Communist state-farm director, has said the referendum is legally binding.

His opponents in Parliament view it as advisory, allege that thousands of violations occurred in the course of voting Sunday and vow to go ahead with plans to impeach the president this week.

Semyon Sharshetsky, chairman of the Belarusian Parliament, appealed Monday to the international community to help "prevent the strengthening of dictatorship in Belarus."

Mr. Lukashenko's next step is unclear. He said Monday that he would act "in accord with the new constitution," starting immediately. However, he also said he would "strictly observe" a deal to defuse the dispute brokered last week by Moscow, under which the constitution would not be legally binding.

Few people had seen the draft document before voting on it, but the constitution's passage had been expected. Mr. Lukashenko has won applause from the mostly rural population of Belarus even as he has waged a campaign of repression against his opponents and the media, and aggravated the country's economic crisis by blocking market reforms.

Many voters in Belarus share Mr. Lukashenko's open nostalgia for Soviet-style communism, and they accept his argument that the country can surmount its problems only by giving him nearly dictatorial powers.

Under Mr. Lukashenko's constitution, his term in office would be extended from four years to seven. He would be immune from prosecution for life, and would have a permanent seat in the cabinet even after leaving the presidency.

He would have sweeping powers to control or dissolve Parliament, would broaden his hold on the courts and would be authorized to declare a state of emergency if he suspected a threat of violence. He would also be able to bring criminal charges against members of

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AGENDA

Chinese Defense Chief to Visit U.S.

WASHINGTON (Reuters) — The Chinese defense minister will visit the United States for two weeks beginning Dec. 5, the Pentagon said Monday. Chi Haotian and a 20-member senior delegation from the Defense and Foreign ministries are held talks with Defense Secretary William Perry and other senior U.S. officials. The trip had been

scheduled earlier but was postponed in March because of tensions over Chinese military pressure on Taiwan. The announcement came after moves in the last few weeks to improve ties. But in Manila, a senior U.S. diplomat said that China had refused to pledge publicly not to target the United States with nuclear missiles. (Page 6)

North Korean's Real-to-Reel Life

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At 'Eagle Morgue,' Demand Is Hearty

ASIAPACIFIC Page 6

North Korea to Release U.S. 'Spy'

EUROPE Page 5

French Truckers' Strike Continues

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UN and Iraq Approve An Oil-for-Food Plan

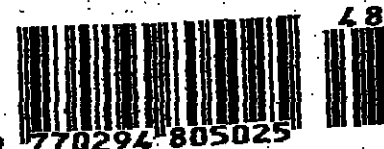
The United Nations and Iraq announced Monday that they had reached a final agreement on all major points holding up the sale of Iraqi oil for food and other emergency goods for the country's suffering civilian population. Diplomats say that Iraqi oil could begin flowing again as early as next month, for the first time in six years — if unexpected roadblocks did not arise. The plan has been stalled in the past because of disputes or objections raised by the United States or Iraq. (Page 4)



ANTI-BANDITS — Serbian students waving report cards and chanting "Red Bandits" as 100,000 people marched through Belgrade on Monday to protest court rulings that annulled local election results. Page 5.

Dow Jones	S&P 500
Up 76.03	Up 0.66%
8547.79	150.37
The Dollar	Mon. close
DM	1.5295
Yen	112.635
FF	5.158

Newstand Prices	Mon. close
Bahrain	1.000 Dm
Cyprus	2.100
Denmark	14.00 D.Kr.
Finland	12.00 F.Mk.
Gibraltar	2.085
Great Britain	2.090
Japan	125.00
Kuwait	600 Fils



Real-to-Reel Adventures / From North Korea to Hollywood

Filmmaker Is Free to Focus on Life and Art

By Bernard Weinraub
New York Times Service

NEW YORK — It sounds like a James Bond film. In the 1970s, the son of North Korea's dictator apparently orders the kidnapping of a well-known South Korean filmmaker and his wife, a top actress, to build up the regime's movie industry.

Years later, the couple elude their captors. They wind up under the protection of the Central Intelligence Agency in Virginia and later move to Los Angeles, where the filmmaker develops the concept for the highly successful "Three Ninjas" films.

"Strange, I know," Shin Sang Ok, who now works under the name Simon Sheen, said recently in his office in Hollywood. "People say I should make a film from this."

Mr. Shin, 70, is one of three South Korean filmmakers being honored in New York at the Museum of Modern Art with a retrospective of their work through Dec. 6. The others are Yu Hyun Mok and Im Kwon Taek.

Mr. Shin made more than 60 films in his native country, ranging from melodramas to action films to musicals. The museum is showing five of his works. But Mr. Shin's odyssey from a North Korean prison to Los Angeles is more dramatic than any of his movies. His saga is so strange, he said, that some South Koreans thought he had slipped into North Korea on his own because the military regime in the South had treated him harshly.

"Some people believe I went to North Korea because I was having problems in South Korea," said Mr. Shin, who spoke with the help of an interpreter. "That's not true. You know, I was kidnapped when I was 49 years old. For a man those are his prime years. It took me 15 years from my abduction to the time I could adjust to America. That is a long time to be invested in something you had no choice in."

Mr. Shin and Choi Un Hui, a top actress, were married for more than 20 years when they divorced in 1976. They remained close and continued working together, but by 1977 Mr. Shin had lost his license to direct films because of his opposition to the government of President Park Chung Hee.

Unknown to the couple, one of the most powerful figures in North Korea, Kim Jong Il, the son of Kim Il Sung, the late North Korean leader, wanted the pair to make propaganda films for his country and build its movie industry.

Miss Choi was kidnapped in January 1978 while she was in Hong Kong to meet a Chinese executive who wanted to finance one of her films.

In her accounts of the episode, she was befriended by a woman who turned out to be a North Korean agent, and while on a boat ride, Miss Choi was confronted by a group of men. After fainting, she said later, she found herself aboard a cargo ship for the trip to Nampo, a port near Pyongyang.

Mr. Shin flew to Hong Kong to look for her amid rumors that she had been kidnapped. On his way to dinner at the Repulse Bay Hotel with a man who turned out to be a North Korean agent, Mr. Shin said, his car was surrounded by several men.

"People entered on both sides of the car and sprayed chloroform into my nose," he said. "It was odd because when they opened the door they said, 'Give me all your money.' I thought I was being robbed. They tied a sack around my head. I thought it was the South Korean CIA coming to kill me, but



Shin Sang Ok is being honored as a filmmaker, but his odyssey from a North Korean prison to Los Angeles is more dramatic than any of his movies.

then they were using North Korean dialect and called each other 'comrade.' I was enormously relieved. I thought, 'Well, at least they have no reason to kill me.'"

Mr. Shin said that for six months he was kept in Nampo, where he was shown Marxist films and given repeated lectures on the glories of North Korea. In the meantime, Miss Choi was being treated luxuriously by Kim Jong Il, who had asked her to take charge of a theater he had built and plied her with gifts.

"After six months I was convinced that my wife was dead, and I attempted to escape and I was caught," Mr. Shin said. He said he spent about four years in prisons under brutal conditions. Exhausted and frightened, he repented for his "crimes" and agreed to make films for North Korea.

IN FEBRUARY 1983, he was escorted to a banquet hall to meet the Korean leader. There he saw Miss Choi and embraced her. After the two agreed to make the films, they were given a mansion, servants and clothing and servants, and a studio was built for them.

"North Korea had such a negative image in the world, and they thought the way to correct that image was through film," Mr. Shin said. He made seven movies in two years and, accompanied by security men, began presenting them at festivals in Eastern-bloc countries and elsewhere. Miss Choi remained in North Korea as a hostage.

"Slowly, slowly they started to have faith in me and trust us," he said. Meanwhile, the couple remarried.

In March 1986, with the help of a bribed taxi driver and a Japanese journalist who had gone to interview them, the two eluded North Korean se-

curity men while on a trip to Vienna and showed up at the American Embassy. Almost immediately the CIA put them on a plane to the Washington area. They were given a home in Reston, Virginia, questioned for more than two months and presented to a handful of American journalists later that year. They lived under the Central Intelligence Agency's protection until 1989.

"Finally, I said to them I want to make movies," Mr. Shin said. "I left North Korea to make movies. I didn't come to America to be entrapped again."

He moved to Los Angeles and produced "Three Ninjas," about three young brothers who use their ninja skills to beat some kidnappers. Released by Walt Disney, the film was a surprise success and was followed by two sequels.

The film's director was Jon Turteltaub, who later made such hits as "White House Summer" and "Phenomenon" and "Cool Runnings."

He recalled his first meeting with Mr. Shin. "I was talking about the script with him and a translator, and I looked over. I said, 'He's sound asleep, and the interpreter said, 'No, he's thinking.' I realized this was going to be an unusual experience."

The young director and Mr. Shin have since become friends. "Usually on low-budget films like this the director's main job is to finish," Mr. Turteltaub said. "But the only thing he cared about was making the movie good, and he kept finding ways of doing that."

Mr. Shin remains angry at North Korea because of the years he was imprisoned. He holds little animosity toward South Korea.

"There are some artists who believe that if the government is bad, the country is bad, but that's a great mistake," he said. "The government must be bad. But now they're gone. I have no angry feelings at all."

4 More on Hijacked Jet Die, Putting Toll at 127
Part of Wreck Pulled Ashore in Comoros

Compiled by Our Staff From Dispatches

MORONI, Comoros — Recovery workers dragged a large section of the wreckage of a hijacked Ethiopian Airlines jet out of the waters off the Comoros on Monday.

The airline announced that 4 of the 52 people who survived the crash of the Boeing 767 on Saturday had died, raising the death toll to 127.

The flight, hijacked with 175 people aboard on route to Nairobi and West Africa from Addis Ababa, ran out of fuel over the Indian Ocean archipelago and ditched into the sea about 500 meters off a tourist beach.

The motive behind the hijacking remained unclear, and little information was made public about the 20 surviving hijackers, who were in custody. A third hijacker was killed in the crash.

Captain Mohammed Fakidine of the military police said that about 80 bodies had been recovered. He was unsure whether all the remaining bodies could be retrieved.

Three bodies remained trapped in the cockpit, which was submerged, he said.

Survivors have been flown to hospitals across the region, including 25 who were taken to Nairobi on Sunday night.

The three hijackers who stormed into the cockpit soon after the plane took off demanded that they be taken to Australia and refused to allow the pilot to stop to refuel. (AP, Reuters)

Heroes and Heroines

Donald G. McNeil Jr. of The New York Times reported from Mitsamouli, Comoros:

The pilot's ability to ditch the plane just in front of the Galawa Beach Hotel but not on it may have saved many more lives. The plane seemed to be heading straight for the hotel, witnesses said, when it suddenly pitched to the right, missing the building and crashing into the water.

And the quick thinking of the hotel's chief of water sports, who immediately radioed in all her scuba boats, one of which carried eight French doctors, may have helped save the passengers and crew members who got out of the crash alive.

The survivors described being trapped underwater in their seats with

the waves pitching the wreckage of the fuselage to and fro, the bodies of dead passengers brushing against them as they struggled to undo their seat belts.

Many who were barely hurt in the crash suffered cuts on their hands and legs as they crawled through twisted metal in the half-sunken wreckage to reach the holes where they could see sunlight.

Hotel scuba instructors who dived into the wreck described bodies trapped in their seats, sometimes held in the life vests they had put on when the captain said they were going down.

Passengers who escaped said they clung to sections of the fuselage screaming for help as the plane rocked in a sea of dismembered bodies, wreckage and floating pieces of luggage and clothes.

"It is a miracle for me," said Nagin Surti, 55, a passenger from Bombay, where the flight originated.

Mr. Surti, who emerged with only scratches and a cut hand when he climbed the overhead compartment and squeezed out of a hole said, "I had made my last prayer saying, 'Please, God, we are your human beings, please.'"

Two flight attendants who survived, Tadesse and Yeshimebe Gebremeskel, 36, said the hijackers had beaten the co-pilot and pushed him out of the cockpit. They said the hijackers spoke English, French and Amharic, Ethiopia's main language.

One hijacker sat in the co-pilot's seat and played with the control stick like a child, she said, making the plane dip, dangerously several times. It was only in the last few minutes of the flight that the co-pilot forced his way back and regained his seat, she said.

When the plane ran out of fuel at 3:20 P.M., Caroline Fotherby, 34, the hotel's manager for water sports, was in her beach clubhouse, having decided at the last minute to do some paperwork instead of going diving.

"I heard a plane approaching, but not loudly," she said. "Then there was a crash."

Ms. Fotherby immediately called the hotel nurse and all her instructors by radio, and they rushed to the site in high-speed rubber boats, grabbing survivors where they could. A glass-bottomed cruise boat pushed off the beach and brought a dozen more survivors to shore.

Mohamed Amin, 53, Photographer Of Famine, Killed in Plane Crash

The Associated Press

NAIROBI — Mohamed Amin, a photographer whose images of famine victims in Ethiopia stirred world reaction, was among the 127 people killed in the crash of a hijacked Ethiopian Airlines flight. He was 53.

Mr. Amin, of Nairobi, was returning home from Addis Ababa, the capital of Ethiopia, when the plane crashed Saturday on the shore of the Comoros Islands, the airline said Sunday.

His colleague, Brian Teley, who often wrote the text for Mr. Amin's photo books, was killed as well. Mr. Teley, 61, was a veteran journalist who for many years wrote an acerbic, witty column for the East African Standard.

Mr. Amin's photographs during the 1984 famine were shown worldwide and resulted in an outpouring of food aid. An estimated 1 million people died in the famine.

"Many millions are alive today because Mohamed Amin risked his life and time again," said former President George Bush, who was vice president at the time.

Mr. Amin lost his left arm in 1991 in the explosion of an ammunition dump

during the Ethiopian civil war, but he continued to film and take pictures.

"No news cameraman in recent history has had a greater impact than Mohamed Amin," said Tony Hall, chief executive for BBC news.

"His pictures from Ethiopia 12 years ago moved the world," he added. "He was a warm, witty and generous man."

Mr. Amin had photographed and filmed both the pain and glory of Africa over three decades. During the late 1970s and 1980s, he did occasional assignments for The Associated Press.

Mr. Amin was the chief executive officer of the London-based Camerapix Publishers International.

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TRAVEL UPDATE

Airline Industry Focuses on Safety

LONDON (Reuters) — Fearing a collapse in consumer confidence after a string of high-profile air disasters this year, the aviation industry is redoubling its efforts to cut the accident rate and persuade travelers they have nothing to fear.

David Learmont, air safety editor at Flight International magazine, who compiles an annual list of the world's air disasters, said that about 1,900 people have died so far this year, but that 1996 was an unfortunate aberration. "Around 1,000 passengers a year die on average. Given that 1.5 billion people travel a year by air, it's not that desperate."

Still, the industry is worried. The International Air Transport Association, which groups the world's airlines, says it wants the accident rate to be halved in the next decade.

Streetcars Coming Back to London

LONDON (AFP) — Streetcars will be running again in London by the end of the century, for the first time since 1952, in a plan designed to reduce traffic congestion, the government announced Monday.

Under a project costing £200 million (\$334 million), work will start now on building a 17-mile (27-kilometer) Croydon Tramlink in south London that will link Croydon with Wimbledon, Beckenham and New Addington.

A three-hour strike by Finnish air controllers disrupted air traffic in Helsinki on Monday, air authorities said. One international and five domestic flights were canceled. The strike was caused by a dispute over the job of an air controller in Rovaniemi, Lapland.

Malaria has stricken 17 percent of the population in the Sudanese state of Khartoum, the independent newspaper Akhbar Al Yom reported Monday. The daily, quoting the Khartoum state Ministry of Health, said the rate was higher than for any other disease. (AFP)

Corrections

An article in the Nov. 19 edition misstated the date of a letter-bomb incident in Austria. Helmut Zilk, then the mayor of Vienna, was wounded by a bomb in late 1993.

An article in the Nov. 23-24 edition should have identified Jean-Jacques Mazier, convicted in a French court of involuntary homicide, as the former head of the Church of Scientology's mission in Lyon.

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Turkey Will Curb Smoking in Public

The Associated Press

ANKARA — President Suleyman Demirel approved on Monday a law banning smoking in most public places in this country of millions of avid smokers.

"Our president was of the opinion that to approve the law would be to the benefit of our country and its citizens," Mr. Demirel's office said.

The law, which also forbids the sale of cigarettes to minors, will take into effect when it is published in the official gazette. Its publication is expected within days.

The legislation was introduced by the governing Islamic Welfare Party and adopted by Parliament this month. It designates as smoke-free zones public transportation, sports centers and locations providing health, education and cultural services. It also curbs cigarette advertising and makes health warnings on cigarette packs compulsory.

Violators of the ban, including those who sell cigarettes to people under 18, face a fine of about \$100.

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WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.

Europe				North America				Asia				Africa				Latin America				Oceania			
City	Today	Low	High	City	Today	Low	High	City	Today	Low	High	City	Today	Low	High	City	Today	Low	High	City	Today	Low	High
Algeria	18/20	14/15	21/20	Amsterdam	10/12	8/10	15/18	Atlanta	20/22	18/20	25/27	Algiers	18/20	14/15	21/20	Buenos Aires	18/20	14/15	21/20	Auckland	18/20	14/15	21/20
Barcelona	18/20	14/15	21/20	Berlin	10/12	8/10	15/18	Boston	20/22	18/20	25/27	Cairo	18/20	14/15	21/20	Caracas	18/20	14/15	21/20	Christchurch	18/20	14/15	21/20
Bombay	28/30	24/26	32/34	Bombay	28/30	24/26	32/34	Chicago	20/22	18/20	25/27	Dakar	18/20	14/15	21/20	Colon	18/20	14/15	21/20	Dunedin	18/20	14/15	21/20
Bombay	28/30	24/26	32/34	Bombay	28/30	24/26	32/34	Denver	20/22	18/20	25/27	Harare	18/20	14/15	21/20	Guatemala	18/20	14/15	21/20	Hamilton	18/20	14/15	21/20
Bombay	28/30	24/26	32/34	Bombay	28/30	24/26	32/34	Detroit	20/22	18/20	25/27	Johannesburg	18/20	14/15	21/20	La Paz	18/20	14/15	21/20	Manila	18/20	14/15	21/20
Bombay	28/30	24/26	32/34	Bombay	28/30	24/26	32/34	Houston	20/22	18/20	25/27	Khartoum	18/20	14/15	21/20	Lima	18/20	14/15	21/20	Nairobi	18/20	14/15	21/20
Bombay	28/30	24/26	32/34	Bombay	28/30	24/26	32/34	Los Angeles	20/22	18/20	25/27	Luanda	18/20	14/15	21/20	Medan	18/20	14/15	21/20	Rangoon	18/20	14/15	21/20
Bombay	28/30	24/26	32/34	Bombay	28/30	24/26	32/34	Miami	20/22	18/20	25/27	Maputo	18/20	14/15	21/20	Manila	18/20	14/15	21/20	Singapore	18/20	14/15	21/20
Bombay	28/30	24/26	32/34	Bombay	28/30	24/26	32/34	Minneapolis	20/22	18/20	25/27	Nairobi	18/20	14/15	21/20	Medan	18/20	14/15	21/20	Singapore	18/20	14/15	21/20
Bombay	28/30	24/26	32/34	Bombay	28/30	24/26	32/34	New York	20/22	18/20	25/27	Rangoon	18/20	14/15	21/20	Medan	18/20	14/15	21/20	Singapore	18/20	14/15	21/20
Bombay	28/30	24/26	32/34	Bombay	28/30	24/26	32/34	Phoenix	20/22	18/20	25/27	Singapore	18/20	14/15	21/20	Medan	18/20	14/15	21/20	Singapore	18/20	14/15	21/20
Bombay	28/30	24/26	32/34	Bombay	28/30	24/26	32/34	Portland	20/22	18/20	25/27	Singapore	18/20	14/15	21/20	Medan	18/20	14/15	21/20	Singapore	18/20	14/15	21/20
Bombay	28/30	24/26	32/34	Bombay	28/30	24/26	32/34	San Francisco	20/22	18/20	25/27	Singapore	18/20	14/15	21/20	Medan	18/20	14/15	21/20	Singapore	18/20	14/15	21/20
Bombay	28/30	24/26	32/34	Bombay	28/30	24/26	32/34	Seattle	20/22	18/20	25/27	Singapore	18/20	14/15	21/20	Medan	18/20	14/15	21/20	Singapore	18/20	14/15	21/20
Bombay	28/30	24/26	32/34	Bombay	28/30	24/26	32/34	St. Louis	20/22	18/20	25/27	Singapore	18/20	14/15	21/20	Medan	18/20	14/15	21/20	Singapore	18/20	14/15	21/20
Bombay	28/30	24/26	32/34	Bombay	28/30	24/26	32/34	Tampa	20/22	18/20	25/27	Singapore	18/20	14/15	21/20	Medan	18/20	14/15	21/20	Singapore	18/20	14/15	21/20
Bombay	28/30	24/26	32/34	Bombay	28/30	24/26	32/34	Washington	20/22	18/20	25/27	Singapore	18/20	14/15	21/20	Medan	18/20	14/15	21/20	Singapore	18/20	14/15	21/20

THE AMERICAS

'Eagle Morgue' Near Denver Slowly Keeps Indian Tribes in Fine Feather

By James Brooke
New York Times Service

COMMERCE CITY, Colorado — As a closed-circuit camera scanned for intruders, Dennis Wist swung open a heavy vault door to reveal his sacred treasure — rows of plastic bags, each suspended by a meat hook, each containing one frozen eagle.

The day before, in the U.S. southwest, eight Indians had been arrested for taking golden and bald eagles the old way, with baited traps and rifle fire.

But here on the outskirts of Denver, wildlife officials showed off the federally approved method for Indians to receive an eagle free of charge — by filling out a four-page Native American Religious Purposes Permit Application and Shipping Request and forwarding it to the brand-new site of the National Eagle Repository.

"Each person is entitled to one

whole bird," said Bernadette Hilbourn, supervisor of "the eagle morgue," as wildlife biologists call the refrigerated warehouse that opened last year at the Rocky Mountain Arsenal National Wildlife Refuge, a deactivated chemical weapons manufacturing center. "We send them out in overnight mail, packed in five pounds of dry ice."

Under federal laws surrounding the national bird, an officially threatened species, ownership of bald eagle parts is largely restricted to Indians and educational institutions. Indians cannot sell parts to non-Indians. And the killing of eagles is illegal. The restrictions apply to golden eagles as well.

According to prosecutors, the five Jemez Indians and three Navajos who were arrested last week in New Mexico and Arizona were not killing eagles for religious purposes. They were feeding a clandestine tourist market for

Indian-style fans and adornments, a market where a double-train Indian war bonnet can fetch \$20,000.

But this black market, coupled with a resurgence in Indian religious practices and a dearth of dead eagles in good shape, is forcing the Eagle Repository to manage scarcity.

Each year, we get about 900 birds — and about 3,000 requests for birds," Ms. Hilbourn said as she pulled out a yard-long drawer in a gray metal filing cabinet. At the back of the drawer was the most recent request, from the previous week. At the front of the drawer was a request that was being filled, from 1994.

"The requests move from the back to the front," the supervisor said, eyeing the drawer. "The waiting period is 24 to 30 months for a whole bird."

Ms. Hilbourn said that 90 percent of the requests are for whole

birds, although heads, talons and feathers are occasionally in demand. Orders for up to 15 feathers, the maximum allowed, are filled almost overnight from a "loose feather inventory" maintained in a separate walk-in cooler.

The wait for a whole bird is too long, say members of the 200 tribes that routinely use them in their religious rites.

Wildlife officials reply that they are hostage to the vagaries of the gathering network. From around the nation, wildlife offices ship here the carcasses of eagles killed accidentally — birds that have been electrocuted by power lines, that have broken their necks by flying into poles or that have been hit by cars as they fed on road kill.

Eagle carcasses retrieved in the fall and winter are generally in better shape than carcasses found in the summer. Many eagles are so badly burned by power lines that only a few feathers are usable.

"Sometimes all the feathers are burnt," Ms. Hilbourn said. "Of course, there are some people who will complain even if they get a perfect bird."

Complaints by Indians about the long wait and the uneven quality of birds coming from the repository have met with two changes.

President Bill Clinton has signed an order that reserves virtually all dead eagles for Indian religious uses, cutting off the supply to museums and schools. And repository officials say they now express-ship feathers and carcasses in case of medical emergencies.

The eagle feather shortage may gradually ease with the recovery of the U.S. bald-eagle population. From a low of about 800 in the early 1960s, the population has rebounded to 12,000 today.

Indians who try to bypass the repository by shooting eagles flying overhead often find themselves facing federal prosecutors.

Last year, Nathan Jim Jr., a Yakima Indian from Oregon, was informed that the federal government would not drop charges against him for killing eagles for religious ceremonies. A few days later, he shot himself to death.

Next month, Robert Gonzales is to appear in court in Albuquerque, New Mexico, for a hearing on charges that he shot an eagle flying over the San Idelfonso Pueblo on Feb. 7, 1995. Mr. Gonzales has said that he applied for an eagle carcass from the federal government in the late 1970s and never received a reply. He has described the majestic bird as "the heart of our religion."

"The application process is intrusive, it asks for privileged, private matter as to why you need these feathers," Peter Schoenburg, Mr. Gonzales's lawyer, said Sunday.

"There are initiation rites or death rites, where feathers are

needed on short notice. Imagine having to order a Bible from a federal bureaucracy and then waiting three years."

"The eagle is the messenger from the spirit world to the earth," added Mr. Schoenburg, who is basing part of his defense on religious freedom.

"Without the proper feathers, there can be no communication. You can't just fake it with some turkey feathers."

Disputes over eagles have also broken out between tribes.

Last May, Navajo police briefly detained 11 Hopi Indians who were found trying to capture eagles on Navajo lands.

This spring, the Hopis came, backed by a valid collection permit issued by the U.S. Fish and Wildlife Service.

Walter Bighorse, a Navajo police lieutenant, said he expelled the Hopis because they did not have a Navajo permit.

Simpson Alibi Under Heavy Attack

Reuters

SANTA MONICA, California — O.J. Simpson testified Monday that he had no explanation for blood found inside his Ford Bronco and at his estate, or for some of the cuts on his hand following the slaying of his former wife.

During Mr. Simpson's second day on the witness stand in his civil trial, Daniel Petrocelli, lead attorney for the plaintiffs, mounted a scathing attack on his alibi for the night Nicole Brown Simpson was killed.

Mr. Simpson testified mostly in a calm, confident voice, but when asked about a phone call in which police informed him of his former wife's death,

he squirmed uncomfortably, sighed heavily and spoke at times with a tremor in his voice.

Mr. Petrocelli confronted Mr. Simpson in dramatic fashion about blood found dripping in his Bronco, inside his mansion and on the driveway of his multimillion-dollar estate.

The attorney contended that some of the unexplained injuries to Simpson's fingers and hand were caused by fingernails "ripping into your skin," suggesting it happened in a death struggle with his alleged victims.

Mr. Simpson, who on Friday emphatically denied killing his former wife and her friend, Ronald Goldman, was

found not guilty of murder by a criminal court jury in October 1995. He is now facing a wrongful-death civil lawsuit brought by the victims' families, who seek substantial financial damages.

Mr. Simpson said he recalled seeing only one speck of blood on the little finger of his left hand just before he took a limousine to the airport for a flight to Chicago on the night of June 12, 1994. He said he could not remember how he incurred the injury, but insisted he only saw a drop of blood from that wound on his kitchen counter.

"You don't have any explanation for blood matching your blood and DNA" in the Bronco?" Mr. Petrocelli asked in an accusatory tone.

"That's correct," Mr. Simpson said.

"You don't have any explanation of how the blood of Nicole was found on that carpet?" Mr. Petrocelli insisted.

"No," Mr. Simpson replied.

Mr. Simpson's attorneys are expected to mount a defense based on a theory that the so-called "trail of blood" at the murder scene and at Mr. Simpson's estate was planted by the police in a conspiracy to frame him.

Mr. Simpson testified that he suffered a large gash to his middle finger of his left hand when he broke a drinking glass in the bathroom of his Chicago hotel room after being told of the death of his former wife.

Mr. Petrocelli showed Mr. Simpson and the jury photos of several other cuts and abrasions on his left hand. Mr. Simpson denied the cuts were there when he returned from Chicago, but admitted he had no explanation for how he received them.

At one point he suggested that his 7-year-old son, Justin, may have caused one of the marks when they were wrestling.

Mr. Petrocelli also attacked Mr. Simpson's alibi that he was home at the time of the killings, arguing that the former football star had changed his story about vital evidence in the case, giving two versions of where his cellular phone was on the night of the slayings. Mr. Petrocelli said Mr. Simpson had told the police in an interview conducted the day after the killings that he had been driving in his Bronco and made a call on his cellular phone to his girlfriend, Paula Barbieri.

But Mr. Simpson's cellular phone records showed that the only call made that night was at 10:03 P.M., putting him in the Bronco at that time, Mr. Petrocelli said. The plaintiffs' attorneys have tried to prove the killings occurred around 10:35 or 10:40 P.M.

Mr. Simpson told the police that his last action before leaving for the airport was to take his cellular phone out of the Bronco. But on Monday he testified he had taken it out hours earlier.

He maintained that the transcript of the police interview was incomplete, that what he told the police was that at around 11 P.M. on June 12 he had taken his cellular phone accessories — a carrying case, spare battery and an adapter — out of the Bronco.



AWAY FROM HOME — Hillary Rodham Clinton meeting hill-tribe villagers in Chiang Rai on a side trip to northern Thailand.

U.S.-Thai Tax Treaty

Agence France-Presse

BANGKOK — President Bill Clinton arrived here Monday for a 27-hour visit, the first trip to Thailand by a U.S. president since Richard Nixon's at the height of the Vietnam War in 1969.

Mr. Clinton arrived at Bangkok's military airport from Manila, where he had been attending the summit meeting of the Asia-Pacific Economic Cooperation forum. He was met by Crown Prince Vajiralongkorn and Princess Sirindhorn, as well as the outgoing prime minister, Banham Silpa-Archa.

A few minutes before Mr. Clinton's arrival, a plane carrying his wife, Hillary, arrived from northern Thailand, where she had spent two days inspecting programs aimed at keeping children out of prostitution.

The Clintons later went to the Royal Palace for an audience with King Bhumibol Adulyadej.

Mr. Clinton's visit has been long anticipated in Thailand, a key ally of the United States and an increasingly important trading partner. During his visit, Mr. Clinton will sign a U.S.-Thailand double-tax treaty, ending 14 years of often bitter negotiations.

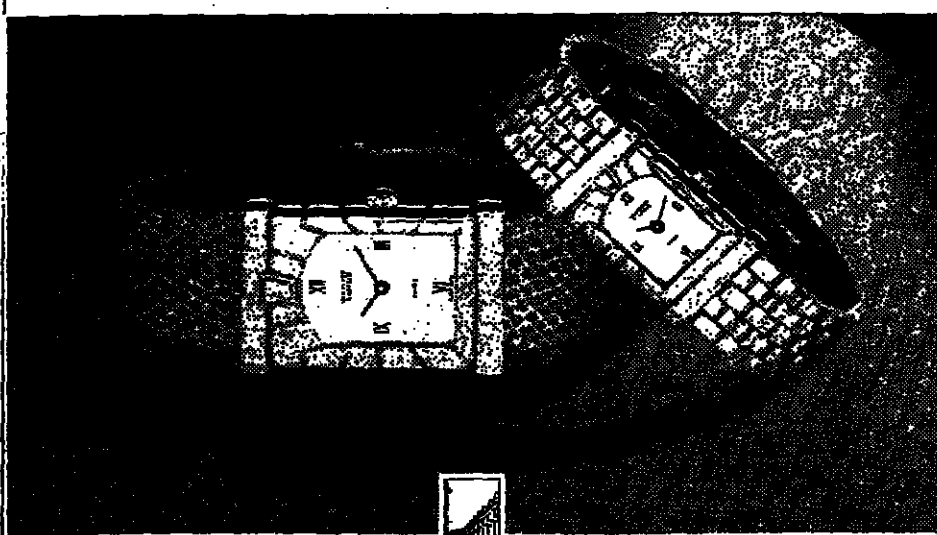
Away From Politics

• A broken rail attachment was to blame for a derailment that injured 34 people and disrupted Northeast train service before the busy Thanksgiving week, federal investigators said. (AP)

• A 23-year-old woman threw her three children, one by one, from the roof of her 14-story apartment building in the Bronx, New York, and then jumped to her death, the police said. (NYT)

• United Airlines Flight 807 bound for South Korea lost power in one of its engines moments after takeoff and returned for an emergency landing at the San Francisco airport after dumping its fuel in the ocean. There were no injuries. (AP)

• A fire raged through a Harlem hotel that served as a homeless shelter, killing three people and injuring five, the Fire Department said. (AP)



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INTERNATIONAL

Immigrants to Israel Learn the Hard Way: Get There First, Convert Later

By Serge Schmemmann
New York Times Service

JERUSALEM — In 1990, Regina and Alexander Deriev and their son, Denis, took advantage of the new religious freedoms in the Soviet Union and were baptized into the Roman Catholic Church. In 1991, they immigrated to Israel.

That combination in itself would not make the Derievs different from many other Soviet immigrants in Israel. It is common knowledge here and a source of some resentment among Israelis — the exact figure is impossible to ascertain — have questionable Jewish credentials.

Some are Christians, while some others have little or no Jewish ancestry, and many of those who are Jewish have little interest in observing Jewish customs and law.

The difference is that Mrs. Deriev, a Jew by birth, insisted when they arrived in Israel on telling authorities that she was Christian, instead of simply maintaining that she was a nonbeliever as many other Soviet immigrants have done. That thrust the Derievs smack into the heart of the fundamental Israeli debate over who is a Jew, and, for five years, it left them in a singular state of limbo.

Last Friday, the Israeli High Court rejected the Derievs' application for citizenship, noting that the Law of Return, which governs the right of Jews to settle in Israel, excludes Jews who have adopted another faith. Under the law, spouses and the immediate family of someone who is accepted as Jewish are allowed to qualify for Israeli citizenship.

The country from which the Derievs came, the Soviet Union, no longer exists. So they cannot be deported, and they cannot go to some other country because they have no passports. Kazakhstan, where they last lived when it was part of the Soviet Union, will not take them back because they are not Kazaks.

Russia will not take them because they are not Russians — Mr. Deriev, a non-Jew, is Ukrainian and Mrs. Deriev, by Russian standards, is still a Jew. Ukraine would not take them because Mr. Deriev does not speak Ukrainian.

The Derievs have been living in a small, one-bedroom apartment in an Arab suburb of Jerusalem. Mr. Deriev works as an engineer recording liturgical music and their son attends an Arab Christian school.

Back in 1991, when the Derievs decided to emigrate, they had no idea it would be like this. In the Soviet Union, being Jewish was a matter of nationality — like being Ukrainian, Chechen or Russian — and had nothing to do with religion. In fact, the Russian language, unlike English or Hebrew, has separate words for Jewish nationality — "Yevrei" — and the Jewish religion — "Iudeistvo."

So Mrs. Deriev — who like many other Soviet Jews had never practiced Judaism, but whose nationality was listed in their passport as Jewish — did not think she was changing her nationality, much less betraying her heritage, when she adopted Catholicism. Nor would most Soviet Jews.

"My father and mother were both Jewish in their passports, but they were staunch Communists, and never put any significance on being Jewish," Mrs. Deriev said.

"I was different — I wrote things the authorities didn't like," she said. "The KGB kept tabs on me, my poetry was never published, and I was only accepted into the Union of Writers with glasses." She was referring to the new policy of openness introduced by Mikhail Gorbachev after 1985.

But Mrs. Deriev's poetry did attract the attention of Joseph Brodsky, the exiled poet, and he urged her to leave the Soviet Union.

Israel seemed a logical choice. The Derievs were living in the remote Kazakstan city of Karaganda, the Soviet Union was falling apart, thousands of Soviet Jews were leaving and many of

their friends were already in Israel.

So Mr. Deriev went to Moscow to fill out the forms at the Dutch Embassy, which represented Israel at a time when there were no diplomatic relations.

"The form had blanks for 'nationality' and 'faith,' and I asked the Israeli official what I should put for my wife, if she's Jewish and Catholic," Mr. Deriev said. "He said for 'faith,' put either 'Jewish' or 'nonbeliever.' I put 'nonbeliever.'"

On arrival in Israel, Mrs. Deriev was given another form. On this one, she put "Catholic."

"I thought it was shameful to hide my faith," she said. "It was the only important choice I ever made, and I didn't hide it even from my father."

What Mrs. Deriev did not appreciate at the time was that the issue she raised went to the very identity of the state of Israel. Ever since the founding by secular Zionists, many of them socialists

from Russia, the question of who is a Jew has reappeared in countless forms.

Under Jewish religious law, a Jew is defined as a person whose mother is a Jew. But the Law of Return was drafted to grant Israeli citizenship to those who would have been persecuted as Jews under the Nazis and so was extended to the grandchildren of a Jew. The exception was those who deliberately adopted another faith.

In Mrs. Deriev's case, one twist is that

had she immigrated first and converted later, she would have had far fewer problems.

Once she had received her citizenship, she would have been free to convert to Christianity.

Their lawyer, Lynda Brayer, said her next step will be to seek refugee status for the Derievs, so they could at least settle in another country. Mrs. Brayer said, "The only reason they're in trouble is that they didn't lie."

Iraq and UN Reach Agreement on Oil-for-Food Sales

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — Iraq and the United Nations announced Monday that they had reached a final agreement on all major points holding up the sale of Iraqi oil for food and other emergency goods for the country's suffering civilian population.

Diplomats say that Iraqi oil could begin flowing again as early as next month, for the first time in six years — if unexpected roadblocks did not arise. The plan has seemed close to implementation before, only to be stalled because of disputes or objections raised by the United States or Iraq.

"I think we made an important step forward today," said an American official who has worked closely with the negotiations.

The plan allowing Iraq to sell \$2 billion worth of oil in a renewable six-month period can go into effect as soon as the Security Council sanctions committee agrees to a formula for determining the price of the oil, and Secretary-General Boutros Boutros Ghali officially starts the clock.

Oil experts also will have to check that oil-metering equipment on the Iraqi-Turkish border is functioning properly. Iraq had removed meters and

has promised to reinstall them.

Most of the oil is expected to flow through a Turkish pipeline. A smaller amount will be exported directly through the Iraq port of Mina al Bakr.

"The United States is very pleased at this action," Madeleine Albright, the United States' representative, said Monday after the agreement was announced. "For the last two years we have been working on a way to make sure that the people of Iraq are able to have additional humanitarian assistance."

She called the news that Iraq had accepted all the stipulations governing the monitoring of the sales and purchases made with the income "especially good news for the people of Iraq."

Iraq has been under sanctions since its invasion of Kuwait in 1990. Although the government is permitted to import food, medicines and other urgently needed commodities, it has not done so.

After international agencies began reporting the deteriorating health and living standards of Iraqi civilians, especially children, the Security Council proposed the oil-for-food plan as a limited exemption to sanctions in the spring of 1995. A year and a half of haggling followed.

It was the second such plan to ameliorate sanctions proposed to Iraq since the 1991 war in the Gulf. Sanctions cannot be lifted until Iraq eliminates or accounts for all its weapons of mass destruction.

Baghdad has consistently stalled or lied about its arsenal to United Nations weapons inspectors, and so the early lifting of sanctions seems likely.

Mrs. Albright denied Monday that the Clinton administration had been holding up the implementation of the new oil-for-food plan. European diplomats had said earlier this fall that it was unlikely the Americans would let the plan go into effect before the presidential election.

Mrs. Albright said that it was President Saddam Hussein who had been responsible for recurring delays in agreeing to the plan's details, following an agreement in principle last May.

In August, the Iraqis put the plan in jeopardy by sending troops into the Kurdish areas of northern Iraq to take sides in a flare-up of an old civil conflict between Kurdish factions under international protection.

The oil-sale plan mandates that about \$130 million to \$150 million in oil-sale purchases must go to the Kurdish areas, to be distributed by independent relief agencies working with the United Na-

tions Department of Humanitarian Affairs. American diplomats now seem confident that the distribution can go ahead without Baghdad's interference. Iraqi officials will distribute goods in the rest of the country, to be observed by international monitors appointed by the United Nations.

One of the disputes with Iraq had been over Baghdad's attempts to control the movements and activities of these monitors as well as of oil-sale overseers who will be stationed along the Turkish pipeline and at the port of Mina al Bakr to check the quantity of oil being exported.

The oil experts, who will also be responsible for approving or rejecting oil contracts, come from the Dutch company Saybol.

Customs inspectors who will oversee Iraqi imports under the plan are being provided under contract by Lloyds of London. Before Iraq can spend any of the money, however, a third of the oil proceeds will be earmarked to go to a compensation fund for victims of the Iraqi invasion of Kuwait.

Claims have been accumulating at the fund's headquarters in Geneva, where there is no money to pay them.

The United Nations will control the bank account through which Iraqi sales and purchases are made.

INTERNATIONAL CLASSIFIED

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GO: 0.509 FOD: 0.349

ALLEMAGNE (zone I) DM - TVA 15%
ZONE I - E:
GO: 1.07 FOD: 1.37
SCSP: 1.37 SCSP: 1.40

**ZONE II - F:
GO: 1.07 FOD: 1.40
SCSP: 1.37 SCSP: 1.40**

**ZONE IV - G:
GO: 1.07 FOD: 0.85
SCSP: 1.37 SCSP: 1.40**

BELGIQUE (zone B) en FF - TVA 21%
GO: 22.64 FOD: 11.44
SCSP: 32.23 SCSP: 30.25

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GO: 1.27

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EUROPE

Unions Rally to the Cause Of French Truck Drivers

By Craig Whitney
New York Times Service

PARIS — French truck drivers striking for higher pay and the right to early retirement at full pay blockaded highways, ports and airports around the country Monday as a dispute with private employers went into its second week.

After a week of blockades around oil refineries in southern France, gasoline supplies were running out in Bordeaux, the most heavily affected city, and the city's mayor, Prime Minister Alain Juppe, appealed to a newly named mediator appointed by the government to get the two sides to find a solution quickly after an all-night negotiating session failed to produce results.

"The government has done everything to get these talks under way," Mr. Juppe said. "They must now resume and finish." The talks resumed late Monday afternoon.

The dispute had the greatest potential of any this year to mushroom into a paralyzing national protest like the rail and mass transit strikes that brought the French economy to a standstill a year ago.

Like the railroad workers then, the truck drivers now have the support of 74 percent of the public, according to a poll for France 2 Television.

[As Air France airline pilots and cabin crew planned a two-day strike starting Wednesday, the Communist-led COT trade union, the General Labor Confederation, called for mobilization on the same day and for solidarity demonstrations for the truckers' roadblocks, news agencies reported. Other trade unions and the railroad unions also called for support for the truckers.]

[The state road information center said there were 136 truckers' barricades Monday afternoon on major routes in France, up from 62 on Sunday night, with tens of thousands of trucks involved.]

The truckers' main grievance is their claim that the trucking industry, under intense pressure to cut costs, has not lived up to the terms of an agreement that ended an earlier strike two years ago and paid drivers for the time they spend loading or waiting to start their journeys.

Last year's transit strikes started after Mr. Juppe tried to cut back government pension benefits that allow some railroad workers to retire at age 50, as part of a government deficit-cutting program aimed at getting France ready to join a common European currency by the end of the decade.

He had to back off on raising the retirement age, and now the truck drivers, supported by all the main labor unions, want the right to retire at full pay at age 55 instead of the current 60.

They also want pay for all the time they spend loading and waiting, bringing their compensation to a minimum \$500 for a 50-hour week, before overtime.

To back those demands, they reinforced roadblocks Monday throughout France after the fruitless 14-hour session Sunday night, the first presided over by the mediator, Robert Cros.

"Operation Escargot," as the truckers' protest has been tagged, also had wedges of trucks crawling at a snail's pace along some superhighways, causing huge traffic jams behind them.

The main highway to Spain was blocked in both directions north of Bordeaux, and north of Paris, trucks blocked all but one lane into Charles de Gaulle Airport.

Along the English Channel, truck drivers kept all but private passenger cars from using ferries, adding to transportation woes caused by the fire that put the Channel Tunnel substantially out of operation a week ago.



PRAYERS — The mother of a soldier praying at his grave Monday in a snowy cemetery in Sarajevo as Bosnian State Day was celebrated.

Belgrade Marchers Shout 'Death to Communism'

100,000 Protest Annulment of Elections

By John Pomfret
Washington Post Service

BELGRADE — More than 100,000 anti-Communist demonstrators jammed the streets of central Belgrade on Monday in the biggest protest against President Slobodan Milosevic and his ruling Socialist Party in five years.

While a flag-waving crowd shouted "Red Bandits" and "Death to Communism," university students carried out sit-ins at four campuses in the capital and pelted three symbols of Mr. Milosevic's regime — state-run television, the president's office and City Hall — with eggs and insults.

Protesters were united in their criticism of Western powers, contending that Washington and other capitals support the Serbian leader because he is a guarantor of the Dayton peace process in Bosnia, while they ignore calls for democracy in Serbia.

Protests in Belgrade and at least nine other cities have brought the capital to a virtual standstill for eight days. But the

demonstration Monday was the biggest yet and rivaled anti-Communist rallies that erupted in 1991 and were subsequently crushed by Mr. Milosevic's tanks and riot police.

The demonstration came a day after a Belgrade court, controlled by the Serbian leader, overturned the opposition's first political victory in the capital since the Communist takeover of Yugoslavia in 1945. The Belgrade decision annulled results of Nov. 17 municipal elections that had been announced by an official election commission.

The court decision was part of a string of last-ditch moves by government organs dominated by Mr. Milosevic to toss out opposition victories in 15 of Yugoslavia's 18 biggest cities. The cities account for about two-thirds of Serbia's population of 10 million, and defeats there by the Socialists would have amounted to a significant loosening of Mr. Milosevic's control of Serbia.

A coalition of opposition parties, known as Together, issued a statement Monday night accusing Mr. Milosevic of engineering "the greatest nullification of elections since Yugoslavia was created in 1918." It charged that his strategy was to "exhaust and manipulate the electorate and provoke protests that could lead to the imposition of martial law."

Opposition leaders had hinted Sunday that they might back violence as a way to recapture those cities, but they backtracked Monday and insisted that they only supported peaceful protests.

"We plan to eat Milosevic slowly and in a civic way," said Ilija Djukic, an opposition figure who served as foreign minister of Yugoslavia from 1992 to 1993. "We do not support violence."

But other protesters and opposition officials were not as optimistic that simple demonstrations could topple a state that Mr. Milosevic has ruled with an iron hand for nine years.

Mr. Milosevic started his political career as a hard-line Communist. He embraced Serbian ultranationalism in 1987 and used it to oust his political foes and foment wars in both Croatia and Bosnia. Since 1995, however, he has flip-flopped again, repackaging himself as a partner of the West and a reformed leftist.

Reports on the protest Monday were absent from state-run television, the main source of news for about 80 percent of the Serbian people. State television announced that another round of elections would be held Wednesday.

BRIEFLY EUROPE

Sinn Fein Fears Refusal of Plan

BELFAST — Sinn Fein, the political arm of the IRA, said Monday that it expected London to reject proposals that Sinn Fein said would bring about a new IRA cease-fire and warned that such a move would be a "lethal miscalculation" by the government.

The Irish Republican Army ended a 17-month cease-fire in February with a deadly bomb blast in London, followed by a string of attacks on mainland Britain and army barracks in Northern Ireland.

Prime Minister John Major was expected to respond later this week to proposals drawn up by nationalist Irish politicians that set out terms. They include the immediate entry of Sinn Fein into multiparty talks, which have been grinding on since June.

The Sinn Fein chairman, Mitchell McLaughlin, said the group feared London would "shift the goalposts again" and added: "It would be yet another lethal miscalculation if the British government were to do that." (AFP)

Panel Rejects Bid to Try Ciller

ANKARA — A parliamentary commission on Monday rejected a bid to send Deputy Prime Minister Tansu Ciller of Turkey to the Supreme Court on corruption charges.

The commission recommended that members of Parliament vote within the next two weeks against sending Mrs. Ciller to the highest court. She has been accused of failing to prevent contract irregularities at the state-run

Tedas electricity company during her time as prime minister from 1993 until earlier this year.

Political analysts say Mrs. Ciller would be freer to oppose the Islamist prime minister, Necmettin Erbakan, if all the charges were dropped. (Reuters)

Austria to Delay Opening Borders

VIENNA — Austria will delay implementation of the European Union's Schengen accord on open borders because of inadequate police computer links, national radio quoted Interior Minister Caspar Einem as saying Monday.

Mr. Einem said that Austria had taken "all necessary measures" on a technical level to satisfy the requirements of the accord. But he said Vienna will "probably" be forced to delay implementation, due July 1, because the computer network based in Strasbourg that enables legal officials to exchange information was "inadequate." (AFP)

France Indicts 2 for Terrorism

PARIS — Two suspected Islamic militants were indicted for terrorist offenses after explosives, weapons and ammunition were found at the home of one of them, judicial sources said Monday.

Both French nationals of Algerian origin, they were arrested last Thursday in Besancon, France. The police who searched the home found guns, ammunition and sodium chlorate, a substance used by the Algerian terrorist organization, the Armed Islamic Group, to make bombs. (AFP)

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No Agreement on Missiles

China Rebuffs U.S. on Targeting Each Other

The Associated Press

MANILA — Despite an improvement in relations following talks between the Chinese and American presidents here, China has refused to pledge publicly not to target the United States with nuclear missiles, a senior U.S. diplomat said Monday.

Winston Lord, an assistant secretary of state, said a "de-targeting" agreement would be largely symbolic. "We are not aiming weapons at each other," he said. "But it would be a confirmation and it would be useful symbolism."

The U.S. secretary of state, Warren Christopher, broached drafting such an accord with Chinese leaders during talks in Beijing last week, Mr. Lord said.

But the Chinese tied any agreement to a pledge by both countries that they would never be the first to use nuclear weapons — a proposal Washington could not accept, Mr. Lord said. U.S. nuclear defense policy relies on the deterrence of a possible first strike.

Washington already has a de-targeting agreement with Moscow, whereby neither side is aiming missiles at the other, Mr. Lord added.

Meeting Assessed on Taiwan

Taiwan hopes its relations with the United States will not be swayed by a planned exchange of state visits by Presidents Bill Clinton and Jiang Zemin of China, but analysts said Monday that Washington may slow sales of advanced weapons to Taiwan as U.S. ties with China warm, Reuters reported from Taipei.

Washington may not significantly shift its

policy toward Taiwan, China's diplomatic rival, the analysts continued, but a China-U.S. thaw could hurt Taiwan's drive for greater international status.

"Washington may slow down or delay its sales of advanced weapons to Taiwan to maintain a harmonious atmosphere with China," said Chiu Chao-lin of Taiwan's Academia Sinica. "This is especially so since Beijing recently has not shown any forceful intimidation toward Taiwan and Washington wants a peaceful handover of Hong Kong."

Britain will return Hong Kong to China next July 1.

A National Taiwan University political scientist, Tim Ting, said the Jiang-Clinton meeting was ominous for Taiwan.

"It seems obvious that the two big powers have reached some sort of consensus on the Taiwan issue," Mr. Ting said, adding: "Taiwan will suffer as tensions between China and the United States begin to thaw."

"This is not good news for Taiwan," he continued, referring to the planned visits. "Beijing will be tougher toward future talks with Taipei."

Taiwanese aides were not so pessimistic.

Taiwan's spokesman at the Asia-Pacific Economic Cooperation forum, David Lee, said in Manila that he did not expect a shift in U.S. policy toward Taiwan.

"The United States will not sacrifice Taiwan's interests for the development of relations with Communist China," Mr. Lee said. "Relations between Taiwan and the United States have been systematized in past years and should not be changed just because of one or two incidents."



HOPE OF UNITY — Lee Ku, the Ly dynasty heir, leaving his ancestors' shrine Monday in Seoul. He returned from Japan to seek Korean reunification.

Pyongyang To Release American Held as Spy

Reuters

TOKYO — The U.S. Embassy in Tokyo said Monday that North Korea will release an American who has been detained in the Communist state for three months on espionage charges.

Congressman Bill Richardson will return from North Korea on Tuesday with Mr. Evan Carl Hunziker on a U.S. military aircraft, the embassy said in a statement.

Mr. Richardson traveled from Tokyo to the North Korean capital, Pyongyang, earlier Monday in the hope of bringing back Mr. Hunziker.

Mr. Hunziker, 26, was arrested Aug. 24 after crossing the Yalu River from China into North Korea. Pyongyang has said it had "proved by investigation" that he was a U.S. spy.

Mr. Hunziker's family has denied the charge, saying he is a missionary. U.S. and South Korean officials have denied that Mr. Hunziker was spying for them.

Mr. Richardson, a Democrat from New Mexico who is close to the Clinton administration, was to act as an unofficial U.S. envoy in negotiations with North Korean officials.

Pyongyang's plan to release Mr. Hunziker may help ease tensions on the Korean Peninsula, analysts in Tokyo said. U.S. and North Korean officials have held a series of meetings on the Hunziker case at the United Nations in New York, U.S. officials said.

But it was unclear why the North decided to free him now.

A source close to North Korea said that Pyongyang might ask Washington to ease economic sanctions in exchange for Mr. Hunziker's release.

The source also said that North Korea might ask for more food aid to help alleviate hunger caused by devastating floods.

BRIEFLY ASIA

Taiwan Assails China on Arms

TAIPEI — Taiwan accused China on Monday of adopting double standards on the issue of arms sales and said that as long as Beijing continued to threaten to attack the island, Taipei was unlikely to stop buying weapons.

"The mainland authorities have adopted double standards," said Kao Koong-lian, vice chairman of Taiwan's Mainland Affairs Council.

"They have purchased various kinds of weapons and military facilities from Russia," he said, "but at the same time object to our buying defensive arms. This is something we can never accept."

Mr. Kao's comments came a day after President Jiang Zemin of China, during a meeting on the sidelines of the Asia-Pacific Economic Cooperation forum in Manila, asked President Bill Clinton to stop selling advanced weapons to Taiwan.

Japan May Restore China Aid

MANILA — Prime Minister Ryutaro Hashimoto of Japan said Monday that he was considering lifting a freeze on grant-in-aid to China that Tokyo had imposed as a sanction over Chinese nuclear tests.

"We are making our best efforts to consider renewing the grant-in-aid," Mr. Hashimoto said at a news conference in Manila after attending the summit meeting of the Asia-Pacific Economic Cooperation forum at Subic Bay, north of the capital.

"President Jiang and I were able to have very constructive talks, and I am sure President Jiang feels the same," Mr. Hashimoto added.

The freeze on the grant-in-aid, worth \$63 million, remains an obstacle to improving ties. China signed a global ban on nuclear tests in September after conducting two nuclear tests. The freeze was a mainly symbolic protest because Japan's program of low-interest yen loans, which make up the bulk of its aid to Beijing, was unaffected.

Chaovalit Named Thai Leader

BANGKOK — King Bhumibol Adulyadej appointed Chaovalit Yongchaiyut on Monday as Thailand's 22d prime minister, eight days after the former army chief's New Aspiration Party won a general election.

The Thai monarch issued a decree naming Mr. Chaovalit prime minister after he was nominated by the president of Parliament, Wan Muhamad Nor Maitha. Mr. Chaovalit and his cabinet are expected to be officially sworn in by the king on Dec. 1.

India Acts to Halt Child Labor

NEW DELHI — Indian officials issued a public notice Monday to 1,315 entrepreneurs illegally employing children in New Delhi, giving them two weeks to desist from the practice.

The unusual notice, published in a newspaper and issued by New Delhi's labor commissioner, said offenders would have to pay fines up to 10,000 rupees (\$280) if they did not heed the order by Dec. 10.

The list carried names and addresses of the offenders, as well as the number of children employed by them. India has the world's largest child labor force, with millions toiling for a pittance in farms, factories, restaurants and other enterprises. The government has vowed to eradicate child labor by 2000.

APEC: Leaders Seek End to Nearly All Computer and Telecom Equipment Tariffs

Continued from Page 1

logy agreement which would cut to zero tariffs on a vast array of computers, semiconductors, and telecommunications technology by the year 2000," he said.

The APEC leaders, after five hours of talks in Subic Bay, northwest of Manila, issued a joint declaration that called for "the conclusion of an information technology agreement by the WTO ministerial conference that would substantially eliminate tariffs by the year 2000, recognizing the need for flexibility as negotiations in Geneva proceed."

However, Goh Chok Tong, the prime minister of Singapore, which will be host to the WTO conference, cautioned that the APEC agreement "will not lead to the firm conclusion that we'll free up the information sector by the year 2000."

Jiang Zemin, China's president, said that because of differences in levels of development in APEC members' economies, it would be "very difficult" for liberalization to be "pushed forward in accordance with a timetable," the official Xinhua press agency reported Monday.

China is not a member of the World Trade Organization, and in his meeting with Mr. Jiang on Saturday, Mr. Clinton made it clear that Beijing would not get American support for entry until it did more to open its markets.

Mr. Jiang said Sunday that China would cut import duties to an average 15 percent by 2000, after cutting them to an average 23 percent in 1996.

Officials said that lobbying by Mr. Clinton and Prime Minister Ryutaro Hashimoto of Japan, both working closely with Fidel Ramos, the Philippine president, who presided at the

APEC summit meeting, was instrumental in breaking down resistance in ministerial talks to the information technology agreement. The officials said that developing APEC nations feared committing themselves to abolishing all taxes on imported products in the agreement.

U.S. officials insisted Monday that no WTO member would be allowed large-scale exceptions on either product coverage or the phase-out of tariffs under the proposed agreement.

What the language agreed by APEC leaders means, said Jay Ziegler, assistant U.S. trade representative for public affairs, "is that the 123 member countries of the WTO will have an obligation to reduce tariffs to zero on substantially all products in the information technology landscape."

He added, "Substantially elim-

inate' is tradespeak for 'zero.'"

Although America accounts for one-fifth of world trade in information technology products, U.S. officials denied that the proposed agreement would disproportionately benefit the United States.

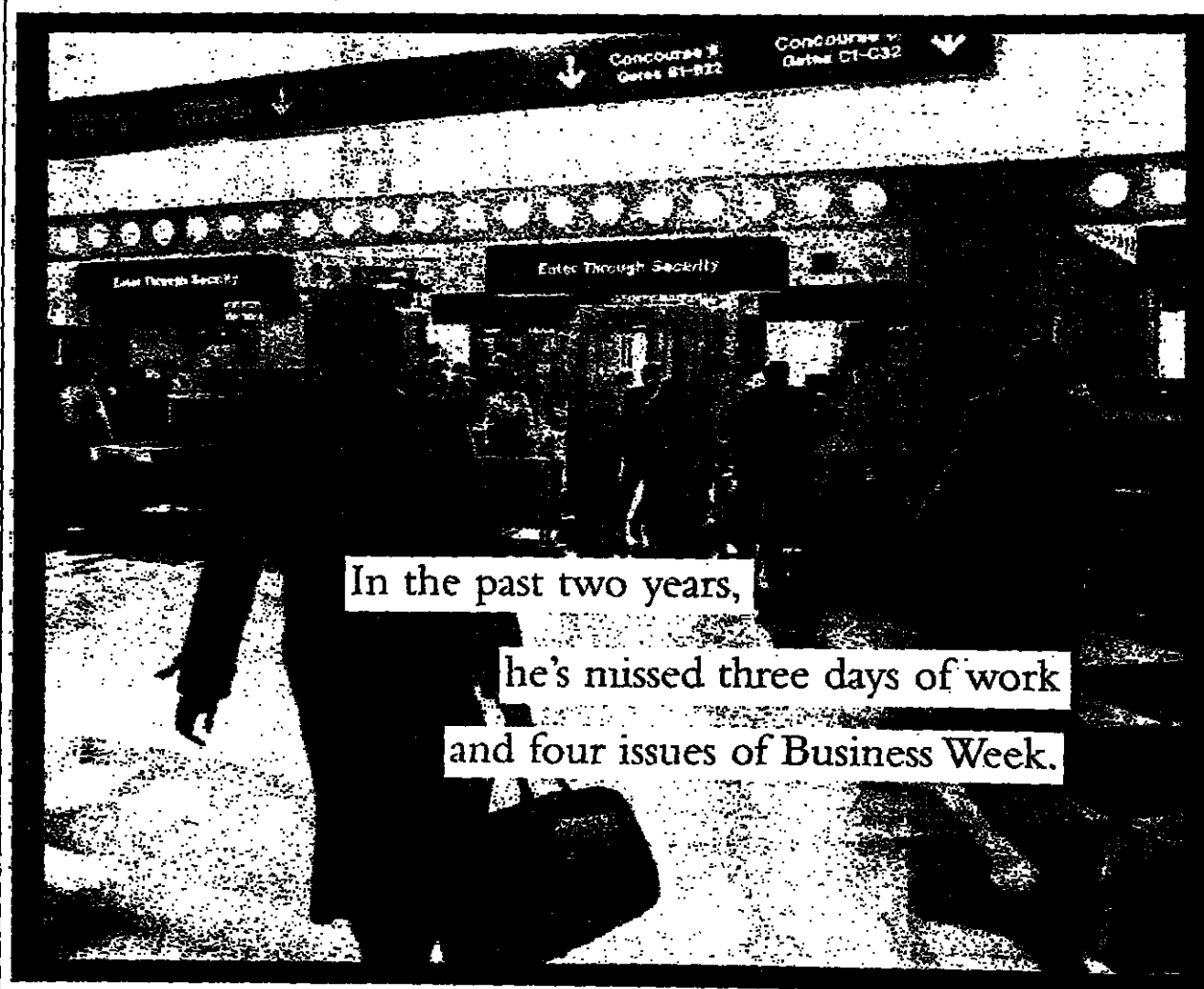
A senior administration official said that Asian members of APEC stood to gain "enormously" from tariff cuts under an accord.

As an example, he said that the seven countries in ASEAN, the Association of South East Asian Nations, exported information technology equipment valued at \$30 billion a year to the United States and another \$12 billion to Europe.

"Countries that don't get aboard will be left behind," said Gary Tooker, chief executive officer of the telecommunications giant Motorola Inc. "The longer they hold back, the tougher it will be."



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INTERNATIONAL

Bombing in Algeria Mars Early Voting

One Killed and 13 Hurt in Blast

PARIS — A bomb exploded at a bus shelter in a town south of Algiers on Monday as more than 500,000 members of Algeria's security forces began voting on a draft constitution that would bar Islamist parties from elections.

The security forces, in a statement carried by the official press agency APS, said a man was killed and 13 people were wounded — six seriously — when the bomb exploded in Beccrouaghia.

The statement did not say who was responsible for the midday blast, 70 kilometers (43 miles) south of Algiers. It came as Algeria prepared for the national referendum Thursday.

The early vote for security forces, which also applied to Bedouin in remote areas, was held to free the military to protect voters when the national vote takes place. The Armed Islamic Group warned people this week not to vote. Although the government insists the poll will be held in "full freedom and tranquil-

ity," more than 120 people have been killed in the last six weeks, independent sources in Algiers say.

Government officials and their backers have stepped up a campaign for the constitutional changes. The draft, if approved, will broaden the president's powers but fix a limit of two five-year terms.

It bans politicians from campaigning as representatives of Islam or the Arab or Berber communities. Prime Minister Ahmed Ouyahia said Sunday during a campaign rally in Algiers that the draft constitution aimed to strengthen a multiparty democracy in a united nation.

Despite reports of tighter security, at least in large urban centers, violence in Algeria continued unabated in the days before the poll.

A car bomb killed five people and wounded 19 Sunday in the garrison town of Blida, newspapers said, and security forces killed nine guerrillas in two operations in the previous 24 hours near Algiers.

Audit of Holocaust Funds Held by Swiss Set to Begin

OSLO — An intensive audit to track down Swiss bank accounts belonging to victims of the Nazis was set to begin Monday, according to a World Jewish Congress official.

The official, speaking on condition of anonymity as the congress met in Oslo, said that Paul Volcker, the former U.S. Federal Reserve chairman who heads an independent committee reviewing the matter, will begin the auditing process at a meeting in London.

The meeting is to be held with editors from three major U.S. accounting firms hired for the task: Arthur Andersen, KPMG Peat Marwick

and Price Waterhouse, the official said.

He spoke after Mr. Volcker had held a closed-door meeting with officials of the congress. The committee, he heads, the Independent Committee of Eminent Persons, was appointed by the Swiss Bankers Association and the World Jewish Restitution Organization.

Swiss banks say about \$32 million remains in dormant accounts, but Jewish groups estimate the accounts hold much more, perhaps about \$7 billion. After months of investigation, the Swiss banks reported this month that they had found just \$8,800 in their accounts that belonged to the heirs of Holocaust victims.

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My Philosophy

By L. Ron Hubbard

■ The following essay by L. Ron Hubbard is a definitive statement of his personal philosophic stance.

"The first principle of my own philosophy is that wisdom is meant for anyone who wishes to reach for it."

The first principle of my philosophy is that wisdom is meant for anyone who wishes to reach for it. It is the servant of commoner and king alike and should never be regarded with awe.

Selfish scholars seldom forgive anyone who seeks to break down the walls of mystery and let the people in. Will Durant, the modern American philosopher, was relegated to the scrap heap by his fellow scholars when he wrote a popular book on the subject, *The Outline of Philosophy*. Thus brickbats come the way of any who seek to bring wisdom to the people over the objections of the "inner circle."

The second principle of my own philosophy is that it must be capable of being applied.

Learning locked in mildewed books is of little use to anyone and therefore of no value unless it can be used.

The third principle is that any philosophic knowledge is only valuable if it is true or if it works.

These three principles are so strange to the field of philosophy, that I have given my philosophy a name: SCIENTOLOGY. This means only "knowing how to know."

A philosophy can only be a route to knowledge. It cannot be crammed down one's throat. If one has a route, he can then find what is true for him. And that is Scientology.

Know thyself... and the truth shall set you free. Therefore, in Scientology, we are not concerned with individual actions and differences. We are only concerned with how to show man how he can set himself free.

This, of course, is not very popular with those who depend upon the slavery of others for their living or power. But it happens to be the only way I have found that really improves an individual's life.

Suppression and oppression are the basic causes of depression. If you relieve those a person can lift his head, become well, become happy with life.

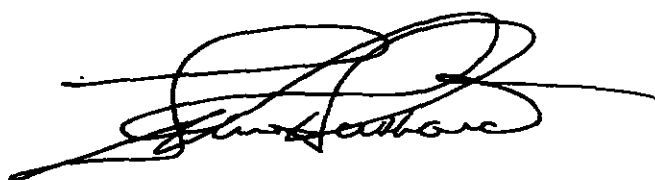
And though it may be unpopular with the slave master, it is very popular with the people.

Common man likes to be happy and well. He likes to be able to understand things, and he knows his route to freedom lies through knowledge.

Therefore, for 15 years I have had mankind knocking on my door. It has not mattered where I have lived or how remote, since I first published a book on the subject my life has no longer been my own.

I like to help others and count it as my greatest pleasure in life to see a person free himself of the shadows which darken his days.

These shadows look so thick to him and weigh him down so that when he finds they are shadows and that he can see through them, walk through them and be again in the sun, he is enormously delighted. And I am afraid I am just as delighted as he is.



L. Ron Hubbard.

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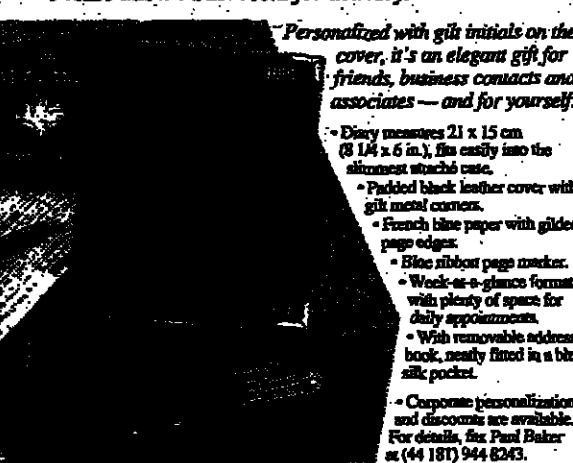
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EDITORIALS/OPINION

Herald Tribune

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Unholy Alliances

American programs to fight cocaine in Latin America have long depended on an unholy alliance. The United States has sent hundreds of millions of dollars in weapons and equipment to armies with atrocious human rights records and a greater desire to fight guerrillas than drugs. Achieving American goals in the region — combating cocaine and promoting democracy and human rights — depends on preventing the aid from going to thugs or being used in counterinsurgency wars. Recent developments show that the United States needs to do more to ensure that its assistance is not misused.

For years, human rights groups and legislators, notably Senator Patrick Leahy, Democrat of Vermont, have alleged that Colombian military units receiving American anti-drug weapons and equipment were used to strafe villages and assassinate leftist politicians. In 1993 the General Accounting Office concluded that aid had indeed gone to abusive units. The State Department repeatedly denied the reports. But Amnesty International recently released documents leaked from American military officers stationed in Colombia. They showed that in 1994 American officers confirmed that drug aid was being used to fight guerrillas, and was going to units ranked among the worst human rights abusers. State Department officials now acknowledge that they could not track the aid and depended on assurances from the Colombian military.

The Colombian abuses continue. Yet Washington is preparing to send \$30 million in helicopters, boats and other equipment to the Colombian military. It will also send equipment to the Colombian police and to security forces in other countries. Colombia is not the only abuser. The GAO reported that Mexico has used American counter-narcotics helicopters to transport troops to Chiapas to fight guerrillas.

Drawing the Line

How do you create a program to help the poor that isn't at the same time unfair to the struggling people on the next rungs up — the ones who are making it, but often only barely so and at enormous cost to themselves, without the help? It is one of the oldest conundrums of public policy. You draw a line, and those below get benefits while those above do not, even though they may be only imperceptibly less needy, and ineligible only by virtue of their own hard work. What lesson does that teach?

But to lift the line and take care of both groups is often too costly, and of course just perpetuates the problem by creating a new line somewhere else and new dependencies.

The Clinton administration is now bumping up against this problem in two spheres. The first involves the implementation of the welfare bill. The legislation seeks to put recipients to work. The question is where do you find the jobs. The president has conceded that the government will have to play a part in this. He will ask for funds to subsidize the hiring of welfare recipients by private employers, and presumably in public-sector jobs as well. But of course the government has done this sort of thing before, and one of the issues is always the same. How do you keep the employers in question from using welfare reform to cut their labor costs by hiring welfare recipients to replace existing lower-level employees? Instead of solving the problem, they shift it. The employers are happy and the politicians can claim success, but it isn't clear the society is any better off, and surely those who lose their jobs are not.

Other Comment

Help the Refugees, Now

What has taken so long? More than a week after Canada volunteered to lead a multinational military effort and the UN Security Council approved a humanitarian mission to Central Africa, military leaders are still working on a plan of action.

The crisis is far from over, although hundreds of thousands of Hutu have voluntarily returned home to Rwanda after spending two years in exile in Zaire. These people need food and shelter now. Other Hutu, their numbers uncertain, remain in eastern Zaire. They, too, need help to survive.

—Los Angeles Times.

Basic Questions in Pakistan

Whoever comes to power in the next election will not begin resolving the basic questions plaguing Pakistan's polity. They relate to the future of democracy and the need for a new constitution. If democracy is a tender plant after the long spells of army rule, it should be tended with care.

It is clear that people's patience with corrupt politicians has snapped on both sides of the Indo-Pakistani divide. The difference being that democracy has grown roots in India because it has never flirted with military rule.

—S. Nihal Singh, commenting in the *Khaleej Times* (Dubai).

Not the Way to Get Reform of the United Nations

By Jessica Mathews

WASHINGTON — It's quite a diplomatic achievement, says a longtime United Nations observer. The United States has managed to unite 184 nations in support of someone most of them don't even like.

The reference is to the deepening confrontation between the United States and the rest of the UN membership over whether Boutros Boutros Ghali should have a second term. Not a single country — traditional ally or arm-twisted aid recipient — could be persuaded even to abstain in support of Washington's position.

There is nothing wrong with standing alone on a matter of great note or principle. But this is neither.

That is not an endorsement of the secretary-general. Under fierce pressure he has done some of the necessary but negative parts of reform, cutting budgets and the workforce, but he has no positive vision of what the institution should become. He is a tired leader without a sense of where he is headed or real enthusiasm for the tasks that must be tackled.

But he is not the cartoon bad guy Washington has chosen to make him. Potential successors could do a much better job. Or the chaotic series of political accidents known as the selection process for secretary-general could easily produce someone much worse.

Washington runs two additional

risks in a continuing collision on this issue. One is the growing anger felt by every other nation.

Absorbed in its debate between the administration and Congress over the United Nations, Washington never seemed able to understand that constant lectures in New York on the need for good management and fiscal probity would not sit well coming from a country in flagrant, long-standing violation of its treaty-obligated dues payments. The two are simply incompatible.

In this context, the United States' sudden decision last spring to oppose Mr. Boutros Ghali, made without careful preparation of the diplomatic ground, seemed intolerable.

The fact that the secretary-general had promised to limit himself to one term paved the way for the fact that here was the United States — a country that had for years chosen not to pay its dues on time, much less in full — that was largely responsible for the United Nations' budget crisis, that spends less on foreign aid in relation to its wealth than any other rich nation; and that keeps its troops out of danger on international peacekeeping missions — behaving as though when it said jump, the duty of every other state was to ask how high.

In the eyes of other members, the United States seemed to think that the United Nations was a one-nation organization. It is not a view that other members are prepared to accept.

The anger will linger long after the source of the quarrel is resolved. America will pay for it in less willingness to support Washington on countless matters of large and small interest.

The showdown also is promoting the delusion in the United States that the prospects for UN reform rest largely on who holds the office of secretary-general. In fact, the needed reforms require agreement and political commitment among the member states.

Without that, the next secretary-general could combine the talents of Peter Drucker and Cardinal Richelieu and still be unable to achieve very much.

The United Nations' real problem is that its member states episodically want and need a more effective institution but are deeply ambivalent about the sharing of power and sovereignty that building one entails.

By pretending that the lack of progress to date is all Mr. Boutros Ghali's fault, Washington is setting up Congress and the American public for a further loss of confidence in the United Nations when the next secretary-general fails as well.

This fight has already cost Washington far more than it is worth. It should be quickly ended, and without

the risk that the outcome will be a minimally qualified candidate, every one's last choice. Ultimately, Mr. Boutros Ghali cannot win, but as the fight lengthens the United States and the United Nations are both losing.

The impasse creates the opportunity for the shift to a single seven-year term, for secretary-general and to a structured, deliberative process for choosing future incumbents.

Mr. Boutros Ghali can be offered one to two more years, with the stipulation that he create a new post of deputy secretary-general with full-time responsibility for reform. The individual would have to know the United Nations, and have proven management credentials and Washington's full confidence.

The administration could legitimately claim to have achieved several key structural reforms, steps that are widely recognized to be necessary but have eluded solution for years. All that should please Congress. The next year or two could be used to build support for a candidate the United States could wholeheartedly support.

Feelings against the United States are now so strong that it cannot endorse anyone without administering a kiss of death to the candidate. Precisely the same thing will happen to the prospects for reform if this election process is allowed simply to play out.

The Washington Post.

Inept Western Advice Has Helped to Make Russia Explosive

By William Pfaff

VENICE — The future of Russia is a major factor in the future of everyone else — unfortunately, I say unfortunately because the future of Russia does not seem promising, in the short term.

Not is this anything that the West has much power to influence, except negatively. "Please stop giving Russia bad advice," was one of the bitter requests of Georgi Arbatov, longtime director of the Institute of U.S.A. and Canada Studies of the Russian Academy of Sciences, at a conference in Venice on Europe's future, sponsored by Italian state radio and television.

He quoted Jeffrey Sachs, the Harvard economist who was prominent among the early Western advice-givers to post-Communist Russia, as saying that he felt himself a surgeon who sliced open the patient and discovered that inside nothing was there that was supposed to be there. This suggests that the surgeon not only had the wrong diagnosis but had mistaken the patient for someone else.

The Russian people now are anti-American (as well as anti-NATO) as a result of the developments of the last six years, whereas in 1989-1990 they

were enthusiastic about America and the West. There is now a widely held conviction that the United States deliberately set out to ruin Russia and eliminate it as a rival by deliberately giving it advice that crippled its economy and institutions.

Certainly much of the advice was ruinously bad, misunderstanding the change possible in a society ignorant of market-place functions and lacking the legal, institutional and social basis for capitalism — singularly the naive and ideological version of cutthroat capitalism preached to Russians on the editorial page of The Wall Street Journal and by the followers of Ronald Reagan and Margaret Thatcher. These treated Russia as the site for experiments unacceptable to the public in their own countries.

The present situation seems politically unsustainable. Industrial and agricultural production continues to fall, the industrial and transport infrastructure deteriorates ruinously, taxes are not collected and salaries are not paid (a disguised form of inflation), the population increasingly is pauperized — except for the handful who have enriched themselves by looting the state. The war in

Chechnya was a grievous self-inflicted wound.

Some in Russia, such as Larissa Ptacheva, the economist and former deputy mayor of Moscow, foresee popular revolt. "The deep cause of the catastrophe ... is the criminal manner in which economic privatization was managed, and the politico-economic system which resulted."

It began in "a powerful wave of democratization," but the process "was confiscated by the Russian authorities for the advantage of their favorites." This being illegal, "it was done in the dark," accompanied by violence and murders.

Boris Yeltsin's return has provisionally quieted the succession struggle. The non-revolutionary alternative to his government is that the Communists return to power with a xenophobic nationalist/collectivist program.

Much hope has been placed in Alexander Lebed as an uncorrupt and intelligent figure, but his political capacities are still unknown, and his rivals are united against him.

It is possible to write a scenario of recovery. The presidential election demonstrated robust popular endorsement of democracy. There are some positive economic signs, notably in construction and tourism.

The new rich, however they made their money, may invest inside Russia to establish their respectability. There is progress in administrative, financial and legal reform.

The French specialist Michel Tatu writes that "what Marx called 'primitive accumulation' logically implies progression from the phase in which society is chaotically looted to a phase when those who possess wealth need to protect it, which requires a return to order and legality." The new rich currently are going into politics in order to consolidate their position. They are increasingly powerful in the press and broadcasting.

People like Mr. Arbatov are accused of being men of the past, nostalgic for the order provided by the old system but which they themselves destroyed, having recognized that it was bankrupt and corrupt. Mr. Arbatov collaborated with Mikhail Gorbachev in dismantling the Soviet system.

They thought that it could be done in a controlled and progressive way. Instead they found that they had relaunched revolutionary forces in Russia.

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Lebed in America, Saying a Few Right Things

By William Safire

WASHINGTON — The ex-general, standing ramrod stiff in a business suit, waved aside another plate of American food. "Bread, salt and onions," he requested.

After a round of interviews with and speeches at many of America's opinion leaders, Alexander Lebed, the peacemaker of Chechnya, surprised political

challenger to Boris Yeltsin, recently bounced out of the Yeltsin Kremlin after pushing for too much power — was relaxing at a reception given in the Bethesda home of businessman Fred Bush.

A diplomat gently brought up the subject of Russia's negotiations with Ukraine about the former Soviet Black Sea fleet. Mr. Lebed said he was part Ukrainian, and told a little joke: "Russian soldier was carrying wounded Ukrainian on his back. Ukrainian says, 'I am suffering. I want to die, shoot me.' Russian takes out his gun but then says, 'I have no ammunition.' Ukrainian

says, 'I'll sell you a cartridge for two rubles.' I put a political question to him: Why had Mr. Lebed taken the thuggish and corrupt Alexander Korzhakov, recently forced out as Mr. Yeltsin's confidant and bodyguard, to be his close adviser?

Eyes narrowed, the pugilist's face hardened: "I am here," he said, holding his flattened hand up to chin level, "and Korzhakov is down here." Dropping his hand well below his waist, I took that to mean that Mr. Lebed was affirming his alliance with yesterday's worst influence in the Kremlin, but that he was using Mr. Korzhakov and not vice versa.

Mr. Lebed's purpose in coming to America was to impress Russia's moneyed interests with his ability to reassure U.S. investors that a Lebed regime would not be bad for business.

Up to now, he has seemed like a loose cannon, gruffness concealing ignorance of economics, prone to ultranationalist gaffes. He is the first Russian politician forced in America, as well as in Russia, to outlying provinces, to win the financial support of investors in Moscow.

He makes no bones about it: "One information flow goes through the Russian regions and then returns to Moscow," he tells U.S. executives, "and the second flow goes abroad and then again returns to Moscow, and there they meet."

How goes the flow from here? After 40 minutes seated in a corner with a few members of the journalistic press, Mr. Lebed left the impression that he is not the political blockhead he was cracked down to be. He is well briefed to give answers that Americans want to hear.

Thus, he is "not going to have a hysterical fit because of NATO's expansion" (plays well here) but talks vaguely of a "new security system," as if Russia were threatened by the West (plays well at home). His next trip will be to China.

Sprinkling salt on his bread but passing up the onions, Mr. Lebed said he agrees with Grigori Yavlinsky on economic reform (although the two could not get along) and warns that Yeltsin chief of staff Anatoli Chubais, whom he despises, is no free marketer.

He has tried to assure Jewish groups here that he was "misquoted" about there being two religions in Russia, although his subsequent praise of Jews as "managing money well" assuaged nobody.

But when Susan Eisenhower asked why he should be president one day, his reply, drawing on experience in Moldova and Chechnya, had both power and appeal: "I stop wars."

To test for candor, I asked about the deal early this summer to split the anti-Yeltsin vote. Did Mr. Yeltsin give him money and television time in the final week that enabled him to come on suddenly and take 14 percent of the vote? Answer: "No. I raised that money from my own sources." Baloney.

Early assessment: Mr. Lebed is smarter than expected, absorbent of briefings and trainable in the avoidance of deep water. He exudes the command presence that strikes some as arrogance, others as leadership.

If this work in progress gets to power, I suspect he would shock the impressive advisers he brought to America with him for the likes of the repugnant Mr. Korzhakov.

The New York Times.

Torture: A Step Too Far in Israel

By Stephen S. Rosenfeld

WASHINGTON — Who was not caught up by short to read that Israel's Supreme Court had decided that the secret police have a right to use force to interrogate certain terrorism suspects?

The ruling came down in the case of a 30-year-old Palestinian, a member of Islamic Jihad, who was arrested last month and found to possess "the most vital of information" that it was essential to extract quickly in order to "prevent a big disaster."

This is the "ticking bomb" doctrine. It holds that to save imminently endangered lives, the state may use measures otherwise regarded as beyond the pale of law.

In this instance, Israeli police were authorized to go beyond the accepted slow-motion interrogation techniques of sleep deprivation and tying up prisoners in painful positions and to employ more immediate physical coercion, including violent shaking.

It appears that the terrible suicide bombs set off earlier this year have hardened an already established tendency to give the security forces a long leash to counter terrorism.

Shaking has become routine. The late Yitzhak Rabin said it had been employed against 8,000 Palestinians, according to B'Tselem, which pursues alleged Israeli and Palestinian rights violations in the West Bank and Gaza.

Shaking can be administered in ways that are extremely stressful, right up to and including fatal. Violent shaking must be seen for what it is: a form of torture.

As a practical matter it would be hard to hold every police and army unit to account for its every deed in conditions of operational emergency — while the bomb was ticking.

However, not simply to justify the intentional infliction of pain and suffering but, with the Israeli Supreme Court, to legalize it — this cannot be. The convenience of torture to the torturer is not at issue. Torture is wrong.

It is wrong initially and in all circumstances. It is a fundamental misuse of power. It invites abuse. It marks the wielder as well as the victim. At this late date in the history of power and vulnerability, we should not have to be arguing the threshold question.

Israel purports to be, after all, not just a collective bound by kinship, in which case it might make up its own rules. It presents itself as a modern state supposedly bound by law, in which case it shares and even sometimes aspires to set an international standard.

This is the civic foundation on which Israel appeals for the respect and regard of other states. It is a cruel distinction for a state operating on its high moral plane to be becoming

the first state actually to legalize torture.

This unhappy development no doubt reflects the difficult circumstances under which the country lives. These circumstances are no respect of party. The terrible suicide bombings, for instance, were set off while Labor, not the much disparaged Likud, was in power. The responses to terrorism, including violent shaking, did not begin with Likud.

Nonetheless, Israel's coming to terms with torture surely reflects a distinct hardening of the familiar siege mentality.

What stirs this turn, I think, is essentially a Likud decision to set aside the previous Labor government's reach for a broad accommodation with Palestinian nationalism and to strive instead, on grounds of security as well as ideology, for permanent dominance.

The results of this turn are to be found not only in the treatment of Palestinian terrorism suspects but also and most harmfully in the Netanyahu government's expansive plans for building Jewish settlements in the West Bank. Settlements do not cause but do badly aggravate the Palestinian terrorism that provokes the Israeli torture.

A sensible policy toward the Palestinians will not, unfortunately, end the terrorism, but it can reduce that curse to dimensions that the two peoples, working together, can perhaps manage.

The Washington Post.

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OPINION/LETTERS

Money Doesn't Just Talk,
It Dictates How We Vote

By Richard Harwood

WASHINGTON — We all know that money talks in politics. It can get you a chat, a dinner or a golf game with the president, help federal legislation, a big job in the administration or an ambassadorship in London or Paris.

But since there are many fewer rich people than ordinary citizens, it's supposed to equal out: You have the money, we have the votes; we can always throw the rascals out. The trouble with this formulation is that it isn't necessarily true. The influence of money shows up in the ballot boxes as well. Voting behavior is heavily influenced by social class, meaning one's place at the bottom or top of the income and education ladders.

For example, people with college degrees make up slightly more than 20 percent of the U.S. adult population and earn a disproportionate share of the national income. They cast 39 million votes in the presidential election this year — 43 percent of the total. A plurality went to Bob Dole.

People with less than a high school education also represent about 20 percent of the population but cast only 5.5 million votes — 6 percent of the total. They favored Bill Clinton 2 to 1.

With wealth as the test, the same disparities are seen. People from the 16 percent of families earning less than \$15,000 a year cast about 10 million presidential votes this year, two-thirds of them for President Clinton. At the other

end of the income scale are the 14 percent of families earning more than \$75,000 a year. They gave a large majority to Mr. Dole and cast 25 million votes.

The "class" factor is also relevant to the recent discovery of a sizable "gender gap" in the voting patterns of the electorate. Indeed, class, rather than inherent psychological differences between men and women, may be the primary factor in that phenomenon. Women gave Mr. Clinton nearly 7 million of his 8 million-vote plurality over Mr. Dole and made the House races very competitive. Collectively, women preferred Mr. Clinton by nearly 20 percentage points and preferred Democratic candidates for Congress by 10 percentage points.

But in both the presidential and congressional races there was a gulf, defined by income and education, between married and single women. The most ardent Democrats were single women, who, in financial terms, are the poorest class of people in the country. They favored Mr. Clinton by more than 2 to 1 — 62 to 28 percent. Their median income in 1992 was less than \$18,000. For single women with children, the median was \$13,445.

Married women, on the other hand, live in the wealthiest households. Their median income when both husband and wife work is more than \$30,000 a year. These women gave Mr. Clinton only a modest plurality of their votes.



Similar differences were seen in the voting behavior of men. Married men — members of those high-income households — preferred Mr. Dole to Mr. Clinton 48 to 40 percent. Single men, whose incomes are markedly lower, preferred Mr. Clinton to Mr. Dole 49 to 35 percent. And single men and women as a class favored Democrats in House races by 60 to 40 percent. Married people favored the Republicans, 54 to 46 percent.

Besides numbing the senses, these data suggest why it is so difficult for either party to put together a reliable majority. It should be easier for the Democrats than the Republicans. The Democrats, for example, are the party of choice among the 22 million fam-

ilies reporting incomes of less than \$25,000 in 1992. They are the overwhelming choice of blacks and Hispanics, who represent more than 20 percent of the electorate. For decades, Democrats and labor unions have had mutual interests and a close working relationship. And with the "gender gap" now favoring the Democrats, the creation of a majority coalition is theoretically within sight.

But several problems have to be overcome. Low-income voters, who include many blacks and Hispanics, turn out in small numbers on Election Day. The alliance between labor union officials and the party is solid, but union membership has been declining for years, along with the partisan fer-

vor of the remaining members. Nor are women necessarily a reliable partner of either party.

Finally, in a contest limited to "haves" and "have-nots," the "haves" are likely to win. While there were 22 million families with incomes under \$25,000 in 1992, there were even more families with incomes above \$50,000 — 24 million: their numerical advantage is enhanced by their substantially greater turnout rate. But the Republicans can't make a majority out of that slice of the population.

It is the unpredictable middle class, less polarized and partisan than either the rich or the poor, that holds the balance of power in these national elections.

The Washington Post.

Stress, Disease, Death:
Side Effects of Bias

By Brent Staples

NEW YORK — One of my first assignments as a reporter was to interview a cartoonist who lived on Chicago's Gold Coast, a sliver of affluence set between Lake Michigan and a nasty housing project. Killing time before the interview, I stopped at a jeweler and asked the price of a watch in the window.

MEANWHILE

The manager ducked into a store-room and led out an enormous Doberman, straining at its leash. With a snarl that matched the dog's, she said, "Now, may I help you?" The cartoonist was not much better. She opened the door a crack then shut it in my face.

Many white readers will disbelieve these stories. Many others will see a case of "rational discrimination" by women who had reason to fear damage from a black man. But to be presumed a criminal until proven otherwise is a punishing experience, one that even African-American millionaires know well. The axiom is that you make peace with the experience or lose your mind. But actually reaching peace seems not to be possible. New research suggests that stress related to discrimination may be just as potent a health risk as smoking or a high-fat diet — things that lead to premature death through cardiovascular disease.

Until quite recently, complaints about pervasive, workaday racism were widely dismissed as imaginary. First came the videotaped beating of Rodney King. Then came the "sound-track" for the King beating with Mark Fuhrman, the Los Angeles detective, bragging about stopping blacks at random and beating them for sport. The Texaco tapes are a corporate version of the same phenomenon.

The executives plot to destroy records for a federal discrimination case and speak dismissively of minority employees. Some people put a benign interpretation on talk about "black jellybeans" and take comfort in the fact that executives did not use the word "nigger" as was originally reported. But the tapes — along with the affidavits filed in court — reveal a climate of discrimination that seems caustic and habitual. The price black ex-

ecutives may have paid is causing considerable speculation among medical researchers and social scientists who study discrimination.

A new study by a Harvard medical researcher suggests that racial hostility at work leads to increased risk of hypertension, which in turn leads to stroke, heart attacks and organ damage. Previous researchers have demonstrated that African-Americans are more susceptible to hypertension than whites but have not fully explained the difference. The current study examined blood pressure differences of 4,000 black and white young adults living in four cities. The study, published in the October issue of the American Journal of Public Health, suggests that some African-American blood pressure problems are related less to diet and genetic factors than to stress associated with discrimination. Blood pressure was highest for working-class black adults who accepted unfair treatment as "a fact of life" or denied that they experienced discrimination. Blood pressure was lower for people who challenged unfair treatment.

Harvard's Nancy Krieger calls her findings "provisional." Critics have complained about her interpretations. Even so, Ms. Krieger's data are consistent with other work in the field. The University of Florida sociologist Joe Feagin, co-author of "Living With Racism: The Black Middle Class Experience," has found that hypertension, angina and gastrointestinal ailments are common among black workers. Many subjects become depressed and withdraw from social contact. Recent studies by Dr. Vickie Mays of UCLA tell a similar story about entry-level corporate employees, who reported "an overwhelming sense of hopelessness."

Texaco has agreed to pay \$167 million to settle the case. Raises will be given, promotions tendered and diversity seminars held by the score. Even so, the worst is not over. Last week's arrest of a former Texaco official charged with obstructing justice begins a long and traumatic inquiry. Black employees have been through the wringer at Texaco. It should come as no surprise if some of them take the money and run to less hostile environments.

The New York Times.

LETTERS TO THE EDITOR

China, Past and Present

Regarding "China Isn't a Militarist Power" (Opinion, Nov. 15) by Bryce Harland:

There is almost a sense of wishful thinking on Mr. Harland's part with regard to modern China. This thinking is part of the Western practice of looking at China through "economic eyeglasses," while history shows that China still is ruled largely by politics. Contrary to Mr. Harland's assertion, China often has shown that it has a "politic-military tradition of its own. Admittedly, China is not like Germany of 1914, but then neither is its history like Germany's.

China long has used its military to solve political and economic disputes. In the last several decades, its political mind was shaped by Mao Zedong and his violent methods. The Red Army was Mao's own creation, and he frequently used it to enforce the will of the government. Power, to him, flowed from the barrel of a gun.

Mao was shaped by China's ancient history of violent struggle, and he in turn has shaped the modern Chinese mind.

Confucianism often is cited as the great business force that will focus China on becoming an economic rather than a military

superpower. However, from ancient times the mandarins of China were more interested in preserving the status quo by means of government than by trade. This dominance of politics continued during the rule of Mao, and continues on the mainland today.

The West does not want to see this, for its bread is buttered in the boomtown coastal provinces near Hong Kong. But many miles to the north, Beijing makes military noises.

The traditional Chinese view of the outside world also should give Mr. Harland some food for thought. The Chinese em-

peror had no equal. Modern leaders of China continue to subscribe to this mind-set. This makes the concept of national sovereignty alien to the Chinese mind.

Such a mind-set was illustrated when China attacked Vietnam in 1979 on the pretext of "teaching the Vietnamese a lesson." Putting nations on the defensive is a familiar Chinese tactic and is a heritage of its military past.

We Asians are trying to come to terms with this attitude of mainland China's, and it is not easy. China stands to take a lead-

ership role in Asia and the world in the next century. However, much of the world, like Mr. Harland, is misinterpreting the Chinese world view. This miscommunication is dangerous, as the Chinese are getting a weak response to their geopolitical intentions.

The danger is a renewal of internal and external strife. If this happens, and China withdraws once more behind a "bamboo curtain," the world will have missed the chance to have in its midst one of the great nations of our times.

SHASHANK TRIPATHI, London.

BOOKS

THE OPEN SORE OF A
CONTINENT: A Personal
Narrative of the Nigerian Crisis

By Wole Soyinka. 176 pages. \$19.95. Oxford University Press.

Reviewed by Kwame Dawes

THE Nobel Laureate and internationally acclaimed playwright Wole Soyinka demonstrates in this expansive, energetic, free-wheeling tour de force that the horrific succession of totalitarian regimes, military juntas and corrupt politicians that has stunted the development of many African countries (and particularly Nigeria) in no way overshadows the passionate, strikingly intelligent analysis of such tragic realities by the continent's writers and thinkers.

This remarkable collection of essays, initially delivered as lectures at Harvard, often assumes a prophetic air — a kind of prophecy akin to that of Old Testament seers, who were given as much to social and political analysis as they were to predicting the future — and reveals that there is hope in places like Nigeria, contained in the timeless quest for humanitarian civility in the face of corruption and dastardly political intrigue.

"The Open Sore of a Continent" is very much in the style of another important Soyinka work, "Myth, Literature and the African World," which, while not tackling issues as immediate and dire as those in this newest work, shares the same unmistakable intelligence, frankness and willingness to attract controversy surrounding issues that are important to the continent of Africa and to Nigeria in particular. "The Open Sore of a Continent" is daring. Soyinka does not mince his words, nor does he spare any of the gallery of rogues that he parades out for the world to see: General Ibrahim Babangida, Yakubu Gowon, Shehu Shagari and the current Nigerian head of state, Sani Abacha, whom Soyinka regards as a most base and corrupt ruler deserving of full condemnation from the world.

Soyinka's thesis is a simple one: The current rulers of Nigeria are rogues, vagabonds and murderers who have revealed their true colors in the brutal execution of the activist, writer and cause celebre Ken Saro-Wiwa in direct and arrogant defiance of objections from the world community. He argues that their regime is founded on an illegal claim that annulled the fair and peaceful elections of 1993, during which Bashirun Moshood Abiola, now imprisoned, won a respectable majority. Soyinka demands that Abiola be recognized as president and that civilian rule be immediately restored. Failure to do so, he contends, would amount to a perpetuation of the kind of human atrocity that the death of Saro-Wiwa represents and, more disturbingly, the death of Nigeria as a nation. "In Sani Abacha's self-manifesting destiny as the last Nigerian despot," Soyinka writes, "we may be witnessing, alas, the end of Nigerian history."

Soyinka's sophisticated discussion

seeks to understand the meaning of nationhood and to try to contextualize the problems in Nigeria within the disturbing developments taking place in the rest of the world. His explorations, then, of the business of nationhood, of culture, of the meaning of society, are especially relevant to the way in which we are trying to grapple with the new geopolitical realities of a post-Cold War world.

In addressing these issues, Soyinka avoids any semblance of finesse. The reader is aware that Soyinka believes he is grappling with issues of life and death — very often his own life and death — and is growing impatient with those who try to ignore the horrendous acts of dictators and totalitarian rulers that he sees as corrupt exploiters of Africa.

Ultimately, the book does not offer a

detailed vision for Nigeria's future. Indeed, Soyinka's tone here is one of alarm. He seems convinced that the world has to be shaken, shocked and goaded into acting on behalf of a Nigerian society that he sees as moving inexorably toward civil war and political implosion. For him, the principle is the thing: A country founded upon a lie will crumble. Although he does not view Abiola as a panacea for all of Nigeria's woes, he regards the installation of the man as an expression of the will of the people, an act that will offer the nation of Nigeria one last hope of success.

Kwame Dawes, who teaches English and African Literature at the University of South Carolina, wrote this for The Washington Post.

CHESS

By Robert Byrne

BORIS Gelfand and Jeroen Piket tied for first place in the elite Fontys International Tournament, in Tilburg, the Netherlands. Each scored 7-4 and got a prize of \$11,810.

Gelfand's strong grasp of positional play was evident in his nice eighth-round victory over Alexei Shirov.

Against the English Opening, the central pawn structure with 2...f5 prepares a kingside attack, but after 4 d4 Black probably does better to keep the pawns together with either 4...d6 or 4...e4. The alternative, 4...e5 Qd4 Nc6, while gaining a move, leads to White's control of the center after 6 Qe3 Be7 7 Nc3 O-O 8 Nh3. Making it an endgame with 6...Qe7 7 Nc3 Qe3 8 Be3 still favors White.

On 16 Rac1, it would have been wrong for Shirov to play 16...Bf4? 17 Qf4 Qc2 because 18 Qd4 Qf4 19 Rc7 Qd4 20 Bb4 yields White an overwhelming advantage.

Gelfand, having mobilized every piece, started to open lines for attack with 18 e4. Shirov might have tried to cut down material with 18...Bb4, but he

surely figured that he could not have handled a powerful sacrifice of rook for bishop with 19 Qd4 Qf8 20 e5!?

After 24...Rb8, Gelfand did not want the d7 pawn if it meant giving his opponent some counterplay after 25 Qd7 Bc8 26 Qc6 g5 27 hg Ng5 28 Bg5 Qg5.

After 26 R4e3, Shirov did not wait for 27 Ne6!, blasting open the position. He played 26...Bf4 27 gf Nd6. Yet on 28 Bf6 Rf8 29 Bg5, he had no choice but to retreat, since 29...Qh5? 30 Qd7 creates the terrible threat of 31 Bf3!, winning the queen.

On 31 h5, it would not have been wise to play 31...h6 32 Bh4 g3 33 Qh5 because the threat of 34 R1e3 and 35 Rg3 would have been annihilating.

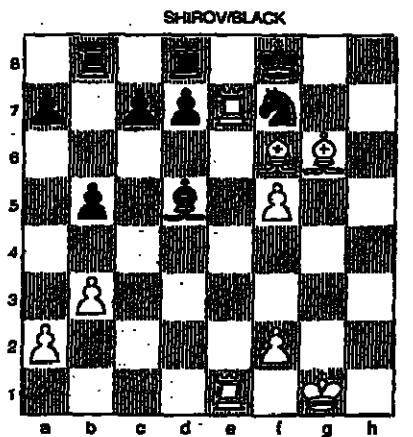
Gelfand's 34 Bf6! kept Shirov in an awful bind, which he reinforced incisively after 34...Rf8 35 Be4!

After 37 f5!, Shirov could not play 37...Nd6 (37...Re8? 38 Bg7!) because of 38 R7f7 Rd8 39 Bg7 Kg8 40 f6 Nf7 41 Re7 with the decisive threat of 42 Rf7! Bf7 43 Rf8 mate.

After 37...b5 38 Rd1, Shirov was finished. His 38...Rb6 was killed by 39 R7f7 Bf7 40 Bd8 Bg6 41 fg Rg6 42 Kf1, putting Gelfand a piece ahead. Shirov gave up.

ENGLISH OPENING

White	Black	White	Black
Gelfand	Shirov	Gelfand	Shirov
1 c4	e5	22 Qd1	g6
2 g3	f5	23 Qg4	Rc8
3 Bg2	Nf6	24 Bf6	Rf8
4 d4	ed	25 Bb2	Rd8
5 Qd4	Nc6	26 R4e3	Bf4
6 Qe3	Be7	27 gf	Nd6
7 Nc3	b6	28 Bf6	Rf8
8 Nh3	b5	29 Bg5	Qg7
9 O-O	Bb7	30 Re7	Nf7
10 Bc3	Bc5	31 h5	g3
11 Qd2	Qc7	32 Qh5	Qg5
12 Nd5	Nd5	33 Qg6	h6
13 c4	Nd8	34 Bf6	Rd8
14 Bb2	Rc8	35 B-e4	Kf8
15 Nf4	Bg6	36 Bg5	Bd5
16 Rac1	Nf7	37 f5	b5
17 Rf1	Rac8	38 Rd1	Rb6
18 e4	fe	39 Rf7	Bf7
19 Re4	Qg5	40 Bd8	Bg6
20 h4	Qb6	41 fg	Rg6
21 Rcl	Rf8	42 Kf1	Resigns



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INTERNATIONAL

Into Rwanda, Finally Come the Bedraggled 'Forest People'

By Suzanne Daley
New York Times Service

GISENYI, Rwanda—A week and a half after the first flood of Rwandan refugees began to return from Zaire, pouring over the border, the "forest people," who have hidden in remote wooded areas for nearly a month, are beginning to arrive.

They are far more bedraggled than the initial wave of Rwandans returning home. These Hutu, who left Rwanda two years ago and lived in huge refugee camps, fled into the dense woods of a national park north of Goma, Zaire, when their camps were attacked during fighting between Zairian rebels and government troops.

But now they are beginning to emerge, with some of the most vivid tales of hardship and suffering yet.

They struggle over the border in small groups, some saying they got lost in the woods, others saying they were virtual prisoners of soldiers there. They say that for more than three weeks, they have been trying to catch rainwater on plastic tarps and eating roots to survive. They say the forest is still full of people — many of them dying of thirst, disease and starvation.

"You see them dying all over," said Gaspar Bahama, 50, who crossed into Rwanda on Sunday

wearing mismatched shoes and carrying a tattered suitcase on his head. "But there is nothing you can do for them, so you just keep moving."

Much remains a mystery about what has been going on over the border in eastern Zaire, where Zairian Tutsi rebels who control several cities, including Goma, have been keeping anyone from traveling into the area west of Goma.

The number of refugees coming over the border has slowed to a few thousand a day in the last few days, but satellite photos show that at least tens of thousands more may be heading this way.

No one knows what shape they will be in. But for now, aid workers say it is the Rwandans who fled into the forest during the fighting — cut off from water, from local villagers who might have helped them and from crops they might have bought or raided — who seem to have suffered the most in the latest chapter of the continuing turmoil in this country.

Their accounts seem to suggest for the first time that large numbers of people are dying and that soldiers, perhaps on both sides of the conflict, may be involved in atrocities.

Rwandan Hutu militiamen believed to have been largely responsible for killing an estimated half million Tutsi two years ago fled into Zaire with these refugees as a Tutsi-led force took over Rwanda's government. The militias have main-

tained control over the refugee camps and joined Zairian government troops during the fighting.

At a makeshift International Red Cross hospital near the former Mugunga refugee camp on the Zairian side of the border, some of the returning refugees were being treated for dysentery, dehydration and an assortment of infections. They must pass that way before going across to Rwanda.

One mother, Floride Makarendendo, stood in the rain waiting for her sick child to be treated. Her lips were severely chapped from lack of water. "We were all the same in there," she said, gesturing toward the woods. "We were all starving. When it rained we stood with our mouths open and our hands out."

Nicholas Krzemien, a doctor at the hospital, said he believed that some of the refugees had cholera, though without laboratory facilities that was impossible to confirm. "They are so exhausted and in such bad shape that sometimes they are not even able to walk into the camp," Dr. Krzemien said. "A family member comes in and we go fetch them in a van."

The woods are part of the Virunga National Park, a densely forested area of more than 10,360 square kilometers (4,000 square miles) once closed to all but scientific researchers, which stretches north from Goma for almost 320 kilometers.

The first refugees to cross the border were largely healthy. They came from the vast Mugunga camp, which is only about eight kilometers from the border. But the refugees from the forest have been on the move far longer. They come from smaller refugee camps north of Mugunga.

"There is no water in the forest," said Ray Wilkinson, a spokesman for the UN high commissioner for refugees. "And a lot of them didn't even have plastic sheeting or anything to catch rainwater in. It's also very damp and it's really hard to make a fire, so they couldn't cook. Some said they took mud and put it in a sock and squeezed it for water. A lot of them say there are a lot of dead bodies in there."

Outside Force Rebuffed

The Rwandan government Monday repeated its refusal to grant permission for a multinational intervention force to use its territory in an operation to help refugees in eastern Zaire. Agence France-Presse reported from Kigali, the capital. "We still oppose the force," said Foreign Minister Anastase Gasana. "We think it is irrelevant now that a big number of refugees are back in Rwanda."

Asked whether Rwanda would allow such a force to use its territory as a staging post, he said "no."



An elderly Rwandan, near exhaustion, holding a bag of high-protein biscuits Monday as he waited to cross the Zaire border.

Beijing Says U.S. to Speed Talks on Bid To Join WTO

Compiled by Our Staff From Dispatches

MANILA — The United States has agreed to discuss a timetable for talks on China's request for membership in the World Trade Organization, Foreign Minister Qian Qichen of China said Monday.

"Both sides agreed to step up the negotiations of China's entry into the WTO," Mr. Qichen said at a news conference after a meeting here of Asia-Pacific leaders.

American officials were not available for comment.

Mr. Qian also said that Beijing hoped to conclude talks with the United States on China's membership in the trade organization by mid-1997.

"We have not set a specific timetable for the negotiations," Mr. Qian said. But he added, "We also mentioned that there should be a timetable for negotiations."

The talks will be held before President Bill Clinton and Chinese President Jiang Zemin exchange state visits, Mr. Qichen said.

But Mr. Qian said there was no direct link between the talks on Chinese membership and the exchange of state visits. The state visits by Mr. Clinton and Mr. Jiang are to occur within the next two years.

China's bid for membership in the trade watchdog organization has been blocked by U.S. insistence, supported by many of its trading partners, that Beijing open its markets to more foreign competition.

Separately, China announced plans to cut tariffs on a variety of imported goods by the year 2000 as part of its contribution to the Asia-Pacific Economic Cooperation forum's trade liberalization goals.

"In the year 2000, China will lower its average import tariff rates from the 23 percent at the present time to 15 percent," Mr. Qichen said.

The list of items targeted for tariff cuts has not been compiled, he said.

(Bloomberg, APX)

Both Sides Lack Consensus

Steven Pearlstein of The Washington Post reported:

According to trade analysts and government officials, what lies behind the continuing trade stalemate between Washington and Beijing is not simply that each side is unwilling to compromise. There is no consensus in either country about what its leaders most want from an agreement and what they are prepared to give up to get it.

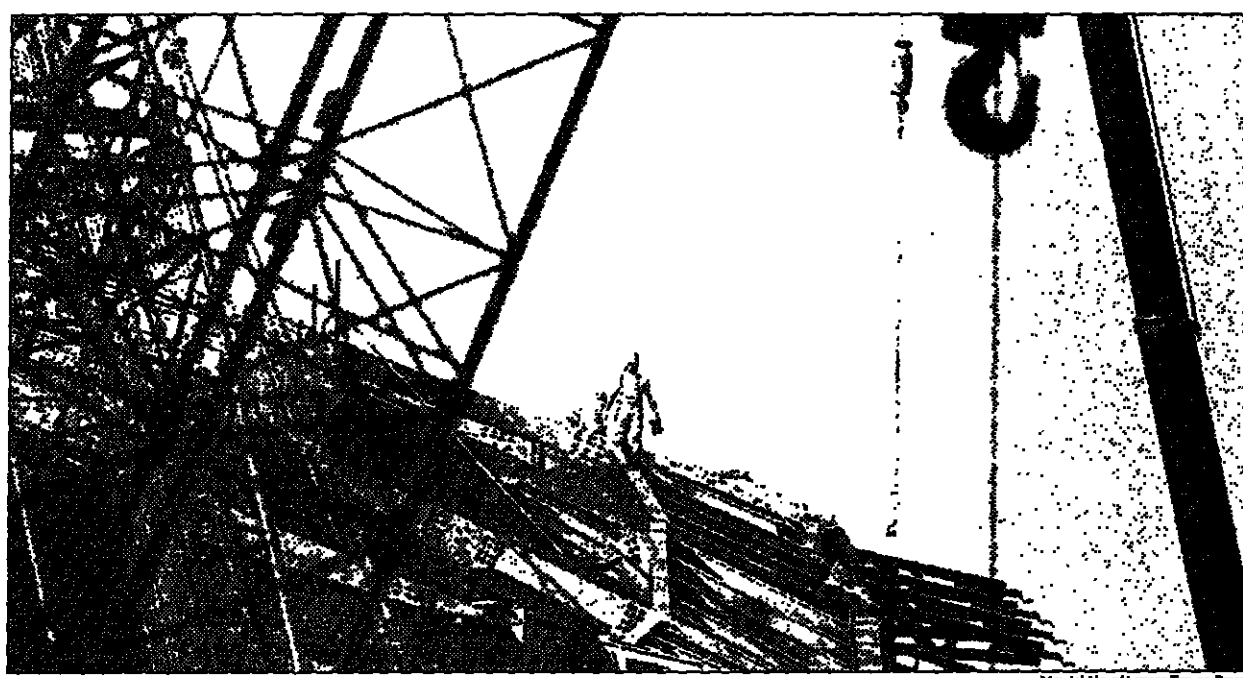
While American businesses are giddy over the prospect of cracking the giant Chinese market, that enthusiasm is tempered by the fear that China will become another Japan — using American technology and guaranteed access to U.S. markets to run up even larger trade surpluses, while continuing to limit imports of American goods and services through government rulings and unofficial collusion.

For China, any significant market opening holds the almost certain prospect of throwing millions of Chinese out of work at thousands of inefficient, government-owned enterprises that still employ two-thirds of that country's urban workers. It could undermine China's efforts to develop some of its own advanced industries.

"There is still a big debate about this in Beijing, which is why I'm not very optimistic about an agreement any time soon," said C. Fred Bergsten, director of the Institute for International Economics.

Nicholas Lardy, an Asia expert at the Brookings Institution, contends that the best the United States can hope for is that China agrees to make a small "down payment" toward opening its markets and reducing state control of its economy, with a promise to complete the readjustment over 10 or 15 years.

Within the Clinton administration, this position is generally supported by the State Department, the National Security Council and some Treasury officials.



BUILDING THE SET — Workers walking on the roof of the annex to the Hong Kong Convention and Exhibition center Monday. The ceremony for the handover of Hong Kong to China will take place at the annex.

JIANG: Having No Leeway, 'The Panda' Stymies Clinton in Talks

Continued from Page 1

conceivable signal that a new consensus in Congress for assisting China's economic and technological development may be sustainable. China's rulers remain absorbed in domestic politics. With a Communist Party congress scheduled next fall, Mr. Jiang is, in essence, running to stay in office before an exclusive electorate that consists of a few hundred members of the Communist Party and military hierarchs.

No Chinese leader in his shoes could be expected to undertake any bold new initiatives with an American president.

During months of diplomacy leading up to the Sunday's meeting, Mr. Clinton sent emissaries to push and cajole. He suggested amending United States trade laws to cement China's trade privileges in the American market, and he shared intelligence on Iran's nuclear program to try to persuade Beijing to stop doing business with Tehran.

China sent the message back that it was not ready to take down the market barriers necessary to join the World Trade Organization, although Mr. Jiang signaled that he might be willing to do something on the issue. Beijing refused to make any pledge to stop selling nu-

clear and missile technology to Iran, and it was adamant that it would continue to imprison anyone who speaks out against the government at home.

As Mr. Jiang knows all too well, to make progress on these fronts requires a carefully prepared consensus among powerful institutions, including the Chinese military, major state industries, regional leaders and party factions.

When these stars are not in alignment, he is left the hapless job of temporizing. While Mr. Clinton looks at 1997 as a clean slate on which he would like to write a more constructive text, Mr. Jiang looks at the next 12 months like a barefoot man facing a bed of coals.

Before the end of next year, he must show his skill in managing Hong Kong's return to Chinese sovereignty on July 1. This will include a perilous choice between confrontation or accommodation.

Then, as part of the preparations for the 15th congress of the Chinese Communist Party, Mr. Jiang must orchestrate major personnel changes in the seven-man Politburo, including the retirement of the hard-line prime minister, Li Peng.

It is at the party congress that Mr. Jiang is hoping for an unequivocal mandate to succeed Deng Xiaoping.

Even if he gets that mandate, Mr. Jiang could still turn out to be the weakest leader to rule communist China. And, strangely, a number of Chinese seem content with that.

"Someone once said to me that Jiang Zemin is a nothing," said a member of one of China's most prominent families and a Communist Party stalwart. He said he replied: "That is what we need — a nothing, because he must work within the system. He must consult with the other leaders. Like Qiao Shi, the chairman of the National People's Congress, and Prime Minister Li Peng, and he must consult with the military."

"China needs a leader like Bill Clinton," he continued. "Clinton was a nothing in 1992, just like Jiang Zemin. But look at Clinton now. He knows how to work within the system; he consults with the leaders of Congress and the military and then he makes his decisions."

Although he has been almost desperate over the last two years to persuade Mr. Clinton to forego a state visit, Mr. Jiang can now undoubtedly see the risks of traveling to Washington with an empty briefcase and facing an onslaught of protesters.

For Mr. Clinton, too, there are risks in giving too much "face" to a Chinese leader who might crack down on Hong Kong's pro-democracy party and who might greet Vice President Al Gore in Beijing next spring by throwing dissidents into jail.

RIGHTS: U.S. Fails to Confront China

Continued from Page 1

Clinton came into office pledging to withhold trade and other benefits from countries such as China that deny freedom to their citizens. Four years later, the emphasis has switched to constructing a stable political relationship with Asia's emerging superpower.

During his four years at the State Department, Mr. Shattuck frequently has incurred the wrath of authoritarian foreign governments, which resent what they see as America's penchant for meddling in their internal affairs. He also has become a lightning rod for criticism by human-rights organizations in the United States, which have accused the administration of hypocrisy and double standards.

"The administration is very good at promoting human rights when it does not perceive any cost whatsoever," said Holly Burkhalter, Washington director of Human Rights Watch, a leading advocacy group. "It has a good record on dealing with the international pariahs like Burma and Nigeria."

"But the moment you get into an area where there is the possibility that other U.S. interests might be compromised, it is another issue entirely."

Adrian Karatnycky, president of Freedom House, a human-rights organization in New York, recalls that the Clinton administration formally abandoned its policy of linking trade concessions to China to improve its human rights record after Mr. Shattuck's controversial visit to Beijing in May 1994.

"Shattuck got his fingers burned by taking the president at his word and being a courageous and fierce advocate of the victims of Chinese human-rights practices," Mr. Karatnycky said. "But when it comes to trade and economic interests, he has been shut out of the game."

A former director of the American

Civil Liberties Union and deputy chairman of Amnesty International, Mr. Shattuck oversees a staff of 55 people and a \$75 million budget for democracy-promoting initiatives.

"My goal in taking this job was to make human rights part of the mainstream of American foreign policy," he said. "There are millions of people around the world who look to the United States for leadership on human rights. A key part of this job is, quite literally, bearing witness to human-rights atrocities and translating these horrors into a U.S. foreign policy response."

The establishment of a separate office in the State Department to promote human rights dates to the Carter administration in the late 1970s and reflects the long-standing American view that values such as democracy and freedom are universal in nature.

No other government in the world makes such an effort.

The first assistant secretary of state for human rights, Patricia Derian, frequently clashed with other administration officials. Her fights with Richard Holbrooke, then assistant secretary of state for Asia, over policy toward the Philippines are legendary.

In a pattern that would repeat itself in subsequent administrations, Ms. Derian wanted to punish the regime of Ferdinand Marcos for human rights violations, while Mr. Holbrooke was more concerned about promoting traditional U.S. interests in Asia.

If the Reagan and Bush administrations were attacked for not criticizing the human-rights records of close U.S. allies, the standard rap against the Clinton administration is that it has been unwilling to get tough with major trading partners.

"The policy now is trade at any cost and without any conditions, save the transfer of lethal technologies to rogue states," Mr. Karatnycky said.

BELARUS: Voters Approve Constitution

Continued from Page 1

Parliament "for defamation and insult."

"These increased constitutional powers would enhance the ability of the government to quell democratic forces," Human Rights Watch said in a letter to Mr. Lukashenko this month.

Russia Sees 'Normal Result'

Russia greeted Belarus's referendum of getting Mr. Lukashenko's powers as a "normal result" on Monday and concluded that Moscow's bid to defuse the political crisis in Minsk had worked, Reuters reported from Moscow.

Prime Minister Viktor Chernomyrdin said: "The main thing is that Belarus has given its assessment. I think it's a normal result. It's a matter for Belarus."

Warheads No Longer in Belarus

All warheads from former Soviet nuclear missiles deployed in Belarus have been sent to Russia, a spokesman for Moscow's strategic missile command said Monday, Reuters reported from Moscow.

The spokesman said he wanted to counter confusion surrounding the scheduled withdrawal after a series of contradictory reports over the weekend.

EPA: U.S. Plans Tighter Pollution Curbs

Continued from Page 1

outdoors and people dying prematurely from lung diseases and heart attacks.

"The consensus is that both of the standards that exist today are not in fact the right standards," said the assistant administrator of the Environmental Protection Agency, Mary Nichols. "They need to change."

Depending on how stringent the agency decides to set the two new limits, several hundred counties will join the ranks of those fighting smog. They will have to work with the agency to impose programs to reduce pollution, such as cleaner-burning gasoline and diesel engines, controls on power plants and factories, lower-polluting paints and smog checks for automobiles.

For ozone, the areas designated as violating healthful air will probably double, and might even swell from about 75 metropolitan areas today to more than 400, according to a preliminary agency analysis.

Many business leaders say that setting tougher endpoints is ludicrous when many cities are having enough trouble trying to meet the old ones.

"The question has to be, how clean can we afford the air to be?" said Gerald Esper, director of the American Automobile Manufacturers Association's environmental department.

In some highly polluted areas, meeting the new particulates standard might entail phasing out diesel fuel used in trucks and ships and replacing it with cleaner fuels such as natural gas.

The decision on air pollution standards will break a deadlock at the environmental agency that has stretched across three administrations. The Clean Air Act requires the Environmental Protection Agency to review its health standards every five years, but the Reagan and Bush administrations put off the decision.

The American Lung Association sued in 1991, and a federal court told the agency to unveil a proposal by this Friday and adopt it next June.

Along with most major U.S. man-

ufacturing companies, about 90 members of Congress — Republicans and Democrats — and several governors have appealed to the Clinton administration to leave the current limits intact. The environmental agency has sole authority to set air pollution standards, but Congress could slash the agency's budget or impose a moratorium on implementing them.

Industry leaders say there are big gaps in scientific studies about the health effects of air pollution and have urged more studies rather than new standards. But health and environmental groups, and some scientists and doctors, are pressuring the agency to set stringent limits.

Medical studies show that even when the air outdoors contains less ozone than the current standard, healthy adults and children lose lung function. This means they cannot exert themselves as much without chest pain, coughing and shortness of breath. A colorless, irritating gas, ozone also causes lung inflammation, and raises the risk of infections and colds.

Under the existing standard, when ozone exceeds 0.12 parts per million in a single hour, a metropolitan area is in violation. The new limit is expected to be set between 0.07 and 0.09, averaged over eight hours, although the agency will probably allow the limit to be exceeded several times a year instead of only one.

Failing to take steps to curb violations could lead to a freeze of federal highway dollars for a region, as well as other economic sanctions.

Particulates — airborne pieces of soot, sulfates, nitrates and other substances — have been linked in various studies to increased deaths and hospitalization among people with lung and cardiac disorders, and the elderly.

Currently, particles measuring under 10 microns are restricted, while the new standard will probably impose limits on smaller particles under 2.5 microns — a tiny fraction of the width of a human hair. The finer the particle, the greater the chance that it penetrates the human body.

MEXICO: Breathing Just Gets Harder

Continued from Page 1

those considered safe for human habitation. The next closest cities are Los Angeles, Jakarta and Sao Paulo, each of which exceeds standards in four of the six categories, according to the most recent air-pollution study of megacities by WHO, in 1992. "Of the cities for which there is sufficient data to compare, Mexico City has the worst overall air pollution," the Washington-based World Resources Institute.

Leticia Mercado, 27, a sales clerk at a fabric shop in the heart of Mexico City's business district, where pollution levels are intense, does not need scientific data for confirmation. "It's horrible," she said in a raspy voice. "My throat is always sore and I have problems breathing."

As a measure of just how bad pollution is here, WHO says humans should not breathe air with more than 100 to 120 parts per billion of ozone contaminants for more than one day a year. Last year, residents breathed that level, or more, for 321 days, according to city officials.

The impact on the health of the city and its residents is devastating. Two weeks ago, when readings rose above 250 parts, or points, city hospitals and clinics reported a deluge of 400,000 pollution-related patients and 300 deaths during the five-day emergency. Health officials estimate that 1 million residents suffer permanent breathing difficulties, headaches, coughs and eye irritations.

Mexico City's cleanup efforts of the past decade have yielded some results: Today half of the city's cars use unleaded gasoline, cutting dramatically the lead content in the air. The "day without a car" program requires most private

cars to stay off the streets one day a week year-round, and additional days when emergencies are declared.

Because of that emergency-alert system, the city no longer has the occasional spikes of catastrophic pollution that once sent ozone levels to three-and-a-half times safety norms, as occurred in 1992 when levels rocketed to 398 points. The weather of the past two or three years also has been cooperative in preventing prolonged periods of maximum contamination.

Even so, the number of days when pollution levels spiral far above WHO recommendations has proliferated. Many people have purchased a second car to get around the day-without-a-car restrictions and the city's growth is unabated.

As a result, the overall percentage of bad air days has changed little since 1992 — one of the worst years on record — when 10 emergency alert days were declared. The city surpassed the 1992 numbers in 1995 and 1996, with 12 emergency days each.

This year could break all records, with chilly November and December traditionally among the worst pollution months of the year.

New proposals for combating the contaminants are proffered by politicians and pundits. A senator recently proposed flying dozens of helicopters over the city to act as giant fans to blow the pollution out of the valley. Others have recommended bag lunches as a replacement for the three-hour afternoon lunch break that creates four rush hours each working day.

There is no shortage of blame for the city's continuing crisis — weather and geography aside. Although auto exhaust checks are required every six months, a bribe will buy a validation sticker for even the most polluting clunker.

Corrupt inspectors also permit some of the biggest polluters — the city's many industries — to spew out excessive levels of contaminants. Buses, which spit out vast clouds of black toxins, are routinely exempted from pollution-control standards.

Perhaps the greatest problem is the city's inability to control its sprawling growth. The city's environmental secretary said last week that the number of cars registered in the capital has increased 40 percent since the day-without-a-car program was enacted seven years ago, overwhelming the plan's original goals. Even an ambitious new anti-pollution program enacted earlier this year sets pollution level goals that far exceed international standards.

LIRA: A Long Way to Go to Joint Currency

Continued from Page 1

which pushed the Deutsche mark below the 1,000-lira benchmark that had been sought by top business leaders. "Italian industry deserved better," quipped Silvio Berlusconi, leader of the center-right opposition, echoing fears that too strong a lira will blunt Italy's competitive edge in the rest of Europe.

Yet for Mr. Prodi, an economics professor whose political coalition is dependent on Italy's far left for support, the hard part is yet to come.

Two weeks ago, he won parliamentary approval for a 1997 budget that calls

for \$41.6 billion in spending cuts and taxes, including a one-time-only "Euro-tax." But even with the new budget, Italy still falls short of the 3 percent deficit target, and Mr. Prodi is expected to return to Parliament early next year with another deficit-trimming package that will be still more difficult to sell to his own supporters.

Had the lira been rejected during the weekend talks in Brussels, the consequences would have been painful not only for Mr. Prodi and Italy, but also for Europe, which, as many experts have noted, can ill afford to turn its back on its third-largest economy.

Henri Samuel, the Gentleman-Decorator

By Suzy Menkes
International Herald Tribune

PARIS — It was the most discreet of private views — just old friends like Gianni Agnelli, Pamela Harriman, Eric and other de Rothschilds, a clutch of countesses and high-society folk.

They surveyed the familiar apartment: the cherub basin, grass-green velvet chairs and malachite vases, neon-tube tables, Giacometti furniture and a bronze Cesar console — each item destined for a Christie's sale next month.

"But I didn't feel sad," said Sao Schlumberger. "Henri Samuel had such a fantastic life — he was 93, always in good health and with such a joy in living."

The death of Samuel in September made as little noise as a flake of gold leaf falling — except that the gentleman decorator would never have allowed such a fate for one of his classic and impeccably executed interiors.

This weekend offered a rare opportunity for the public to view the home of a man whose taste has defined the century, not just for his super-rich clients but in the flourishes of French elegance that he created in restoring the Empire rooms at Versailles, installing the French decorative arts galleries at the Metropolitan Museum in New York and a paneled room in Jerusalem's Israel Museum.

"He was the authority on French classic style of the 17th and 18th centuries," claims Guy de Rothschild in an appreciation in the catalogue for Christie's sale in Monte Carlo on Dec. 15. Samuel became the Rothschild family decorator, doing up the Chateau de

Ferrieres in all its Napoleon III grandeur for Guy and Marie-Helene and arranging the hunting trophies (including rhinoceros heads) in Edmond de Rothschild's Scottish-style mansion d'Armainvilliers.

For someone known for those classical



Henri Samuel in his garden.

interiors in grand houses, Samuel's own taste was surprisingly eclectic and modern. He was a collector to the end, commissioning from young and sometimes unknown artists and melding the furniture and objects into the spacious salon leading on to a garden. It is dominated by a Balbus painting, yet the rest, from the low-slung brown velvet sofa with black silk cushions through the tables by Guy

de Rougemont and a parchment-pale curving desk, just co-exist cozily.

"It is not a collection of masterpieces, it is a personal collection and a reflection of him," says William Iselin, director of furniture for Christie's. "He is so well known for classic, 18th-century interiors, but here I don't know the names of half the artists, and mixing a neon table with an empire chimney piece takes great confidence in your own taste."

Samuel's taste was honed in a 70-year career as a society decorator, from his early training with Stephane Boudin at Jansen from 1925, through two other Paris houses, before he set up on his own at the age of 52.

Soon Mary de Rothschild was claiming, "I entrust myself to Balenciaga for clothes and Samuel for decoration." Major commissions from Europe and later America established Samuel's style of palatial elegance on a human scale.

Because of his reticence, even his clients are unable to define a Samuel style.

"The reason most of his rooms come off, is that he never wanted it to look as though he had been in them," said Susan Gutfreund, whose apartments in Paris and New York were done by Samuel, after she was introduced to him by Jayne Wrightman.

"It was the attention to detail," says Gutfreund. "He would discuss with me doing the perfect base, like giving the woman a couture dress that was sheer perfection whether she added fantastic jewels or not."

The pale, limpid colors of the Gutfreunds' Paris apartment with its embroidered horsehair chairs "to exercise my passion for interesting textures" was designed to look like a country home in the city and as though "it had

always been there — not an installation by some Americans."

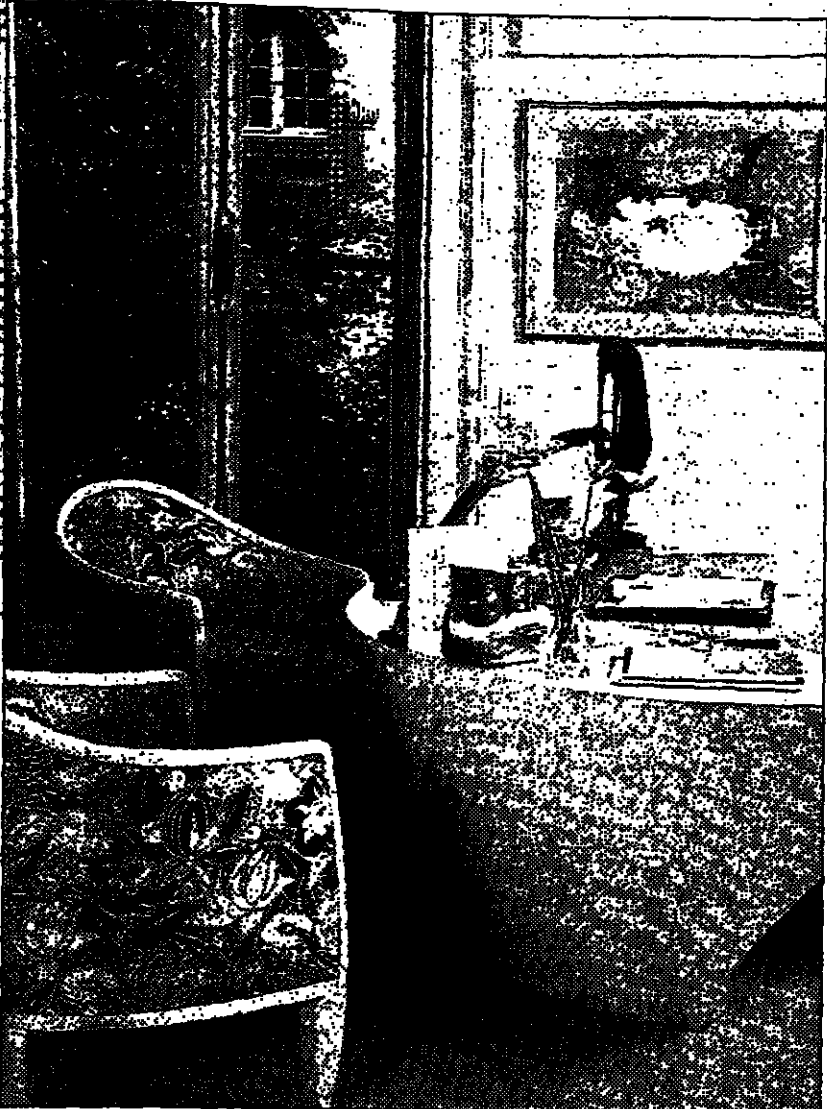
In the gray-white of the Paris walls and with the asparagus-green winter garden in the Manhattan apartment, Samuel checked the paint colors in the morning daylight, again in the afternoon and with the lamps on at night "like a third flitting for a dress."

Samuel's last major job was for Valentino — the exuberantly decorative interior of the restored Chateau de Wideville outside Paris.

Samuel entertained his friends and clients (interchangeable) in his new dining room, paneled pink and silver by a Swiss artist, which he created three years ago out of his old study. His 90th birthday party finished up with guests sitting on the floor leafing through albums of Samuel as the pampered child of a prosperous banking family being pushed in a baby carriage by his nanny in Deauville at the start of the century.

THE patrician figure seen by Jacqueline Lallemant, his personal assistant for 44 years, re-treated at night to the small rooms on the other side of the courtyard, where a cozy sofa blended with the brown shell-patterned wall fabric that Samuel had designed 20 years ago.

In that room, the ceiling is uncharacteristically cracked and peeling. Was that an example of the cobbler's child going barefoot? No, just a sign that Samuel's energies were focused on the new apartment he had planned to move into in the fall. Before he died, he had already drawn up the plans and commissioned further modern pieces to keep him, although nearly as old as the century, ahead of his time.



In Samuel's study, a parchment-covered desk and chairs.

Couture: Some Like It Haute, but Others Are Going Demi

International Herald Tribune

PARIS — Some like it hot, some keep it haute, but now comes a new concept: demi-couture. Faced with a hemorrhaging of houses from the haute couture calendar, French fashion's ruling body is enticing ready-to-wear houses to join the ranks.

The arrival of John Galiano at Dior and Alexander McQueen at Givenchy will detonate the January shows. And another star designer is starting in haute couture. Jean Paul Gaultier, who trained with Pierre Cardin, has now set up a couture atelier and will show a 50-piece collection in January.

So will Thierry Mugler, but his show will be a mix of ready-to-wear and made-to-order pieces — a concept he tried once before in 1992.

Jacques Mouchier, president of French couture, said at a meeting last week that other appropriate designers — he cited Azzedine Alaïa, Herve

Leger and Martin Margiela — might be invited to present "demi-couture."

"The great strength of Paris is to have presentations four times a year, and for 25 years I have worked to protect and encourage fashion creativity," he said.

There are in fact two agendas behind the push for change: the amour propre of the French, who find their own ready-to-wear swamped by the international newcomers, and the desire of fashion managers to stage shows when the clothes hit the stores.

"We ought to separate the commercial and the media events," says Didier Grumbach, chairman of Thierry Mugler, who undertook a couture study for the Chambre Syndicale. He has recently withdrawn Mugler's collection from the runway to the showroom.

"Our pre-a-porter is couture — with new technology, the two metiers have become complementary and the clients are the same," says Grumbach.

The story is the struggle for media attention in an increasingly crowded market of upscale designers. But haute couture is feeling insecure just at the moment when its value is appreciated by forward-thinking designers.

Margiela, a master of cut, who trained with Gaultier, built his spring-summer collection round a tailor's dummy labeled "semi-couture." The stiff canvas form — a kind of corset/tabard — is the base of the collection, so that you might get an apron skirt in gold velvet or just the front of a draped chiffon top.

Sounds weird? Intriguing, rather, when pieces are layered together.

"I like the experience of having it pinned on like a real fitting and then to

give it reality by wearing it on top of something else," said Margiela. "It shows a mixture of the working process of an atelier, and it is also about our whole profession."

In Alaïa's studio last week, the designer was working beside half-finished tailor-made jackets bearing labels with famous names like "Niarhos" and "de Rothschild."

Alaïa has always eschewed the runway circus and media hype.

"I don't understand why people want to do haute couture — except for all the cosmetics and fragrances," Alaïa said. "I dress a lot of women privately in made-to-measure clothes, but we have sold in ready-to-wear 900 sequined

clothes that are worthy of couture."

He was referring to knitted dresses for which the fabric is woven by machine in Italy, then sent to India to be covered with sequins or a caviar of tiny beads, then returned to Paris where it is cut, shaped and finished like cloth.

The proof that couture — in its close-up of craft rather than accompanying brouhaha — continues to fascinate a new generation of designers comes from Prada. Miuccia Prada says that she hopes to produce next year a capsule collection of special pieces made-to-order — yet more "demi" couture.

Suzy Menkes



Margiela's drapes on canvas form.

A Lucid Eye on 'Cool Britannia'

International Herald Tribune

LONDON — From rock stars to royalty, Terence Donovan's lucid camera eye caught the fashionable moment.

A mighty gap is left by the death of the burly photographer, whose black belt in judo belied his gentle nature. His suicide Friday at the age of 60, announced by his wife on Saturday, also breaks a link with an era.

Donovan's roots were in the 1960s, when he and David Bailey rocketed through society from humble back-grounds, reinventing the idea of the celebrity photographer and capturing the dynamic sexual charge of swinging London.

This month, a dramatic series of rock-star portraits for British GQ had brought him full circle. At the exhibition to launch his take on "Cool Britannia," the photographer, who referred to himself dismissively as "a snapper," was back as a cutting-edge chronicler of what is hip.

In earlier days, that had meant cool takes on the icons of that era, from the models Twiggy and Jean Shrimpton, through a revealing portrait of a stoned Jimi Hendrix draped in love beads and surrounded by hippie fabrics.

In between had come the glossy portraits of the Princess of Wales, regal in a bare-shouldered dress against a backdrop of clouds. Like Margaret Thatcher and the Duchess of York, Diana had called on the genial photographer in the 1980s to bring out the best of herself.

For Donovan, who moved easily through society and married an upper-class woman, but never lost his cockney accent, such commissions from royalty and the then prime minister were accolades for a boy who was the son of a truck driver. He had started his career at age 11 at a printing press and at 15 had become a humble photographic studio hand.

His contribution to tearing down the silk curtains of snobbery that surrounded



Terence Donovan, at left, and his portrait of Ron Wood of the Rolling Stones in GQ.

fashion and society in the early 1960s can be seen in his photographs. He took fashion out of the salon and into the street, famously photographing a male models at a gasworks for Man About Town magazine in 1960 — pre-saging both a new gritty realism and the visual fascination of steel-girded high tech.

Although he experimented with grainy pictures when that was revolutionary, his way of taking the elitism out of fashion was with the stark, clear pictures he produced

him." And Bailey, a close friend for three decades, described the loss of Donovan as "like the moon not being there anymore."

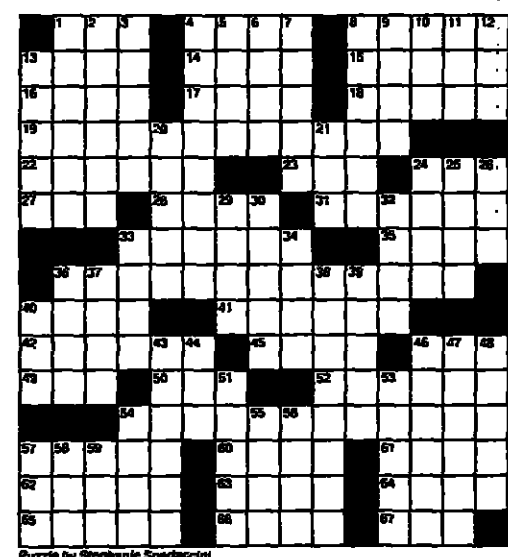
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ACROSS
1 Half a school yr
4 Part of CD
8 Bungee home
12 American Gigglo actor

14 Capn, e.g.
15 German sub
16 Hair
17 "Coming of Age in Samoa" author

18 Tycoon J. Paul
19 60's singer who "walks like a man" -servant?
22 Chinese gambling game
23 Sprinted
24 "Yuck!"
27 Airport abbr.
28 Ancient Brit
31 Actress Reynolds
32 Talks up, so to speak
35 Depend (on)
36 Life-style expert who's a perfect housekeeper?
40 Bargain seeker's event
41 Radio woe
42 Sign of acne
45 Basics
46 — Lanka
49 Critic — Louise Huxtable
50 Paris' — de la Cité
52 Miss Phryne of "The Scarlet Letter"
54 PBS host who's good in the kitchen?
57 Nichelle Nichols' role on "Star Trek"
60 — Fan
61 Larat
62 Folk or rap, e.g.
63 Awestruck
64 Ripened
65 Envoys
66 Hankering
67 Fancied-in area
DOWN
1 "Sunday in the Park With George" painter

2 Goler's chore
3 Intended
4 Reduce in size
5 "You're clear"
6 Eastern European
7 Lebanese tree
8 Conductor Ormandy
9 Assist in crime
10 Degenerate badly
11 Revolutionist Turner
12 Pigeon
13 Faux pas
14 Fini
15 Young chap who's above in Berlin
16 Decorate expensively
17 "Watch it!"
18 Cartoonist Addams
19 Head, in Italy
20 Brio —
21 Get ready, for short
22 Pierce
23 One of "the help"
24 — mater
25 Some prints
26 Older but —
27 Health resort
28 Walt Whitman bloomers
29 Actor Wallach
30 Moe, for one
31 Begin again, as a debate
32 Annoyed
33 Russell Baker specialty
34 Leftover piece
35 Operatic solo
36 Buster Brown's dog
37 Any day now



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Solution to Puzzle of Nov. 25

MASH BLOT SHREW
AGHA LOAN TOOTH
PRINCE OF THE CITY
PERSIANS ANKLES
VET DRY TWOS
PAV BEAS CAB
STEED ALAI ROSO
ASTRANGER IN TOWN
LANK BENV BAKER
ERA SEND BRR
BODA RAM LAS
POSTAL CIAAGENT
ITTAKESAVILLAGE
STOLE OPEN ISLE
HOPEO BERG BEEP

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Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.

10	20	30	40	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200	210	220	230	240	250	260	270	280	290	300	310	320	330	340	350	360	370	380	390	400	410	420	430	440	450	460	470	480	490	500	510	520	530	540	550	560	570	580	590	600	610	620	630	640	650	660	670	680	690	700	710	720	730	740	750	760	770	780	790	800	810	820	830	840	850	860	870	880	890	900	910	920	930	940	950	960	970	980	990	1000
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Japan Goes For Virtual Heartthrobs

Japan's Video Game Industry Lured Into

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Japan Goes For Virtual Heartthrobs

Popular Video Games Make for Unreal Idols

By Andrew Pollack
New York Times Service

TOKYO — Shiori Fujisaki, 17, is a high school student with long reddish hair and dreamy eyes who is about to release her first record. Shingo Hagiwara, 21, is a college student who idolizes her. He goes to nearly every event at which she appears and has bought calendars, posters, watches and mugs with her picture on them.

"Shiori does everything perfectly," he said with a sigh.

Perfect she might be, but Shiori Fujisaki is not real. She is a character in a video game called "Tokimeki Memorial," the goal of which is to get Shiori or one of her friends to date you and fall in love.

Shingo Hagiwara, on the other hand, is real. He is one of a growing legion of young Japanese men who have given their hearts to a "virtual girl."

So-called love simulation games, normally sold on compact disks, have become one of the hottest categories in Japan's home video-game industry.

The animated characters talk to the players but have only a limited ability to converse. Players use the video game controller to pick a topic of conversation or a reply. In most games, the text of the conversation is also printed on the bottom of the screen.

In Asci Corp.'s "True Love Story" game, for example, a player walking home from school with a "girl" can pick a topic of conversation, such as the weather or fashion, or he can choose an action, such as to stare at her, praise her, give her a present, take her hand, ask for a date — or leave.

A beating heart and other meters in the upper left corner of the screen indicate the character's emotional state. Pick a conversation topic that interests her, and the heart beats faster.

When it is beating fast enough, try to

Wooing a Digital Darling

Video games that teach boys how to win girls' attention have become a booming success in Japan. Here is a look at one situation from the game "True Love Story."

▼ THE TASK You meet the object of your desire and must decide how to win her over as you walk her home from school.

RATING PROGRESS

The thumping heart
The symbol tells you how you are doing. The heart beats faster and changes color as the girl becomes more enamored of you.

The time line
As you walk, the curved line lets you know how much time you have left to win the girl's affection.

WINNING

HER HEART
You are given choices of what to say or do.

Start talking about
Visiting someone at the hospital
What happened at the shrine
Presents

Making a move
Stare at her
Praise her
Hold her hand

Taking the next step
Give her a present
Ask for a date
Separate

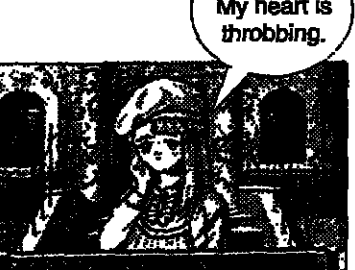
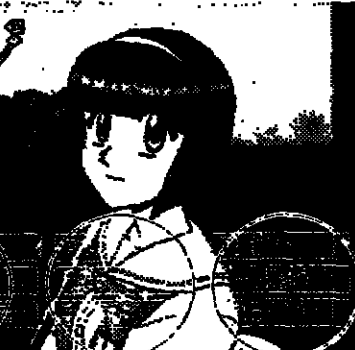
In this game, called Tokimeki Memorial (tokimeki is the Japanese word for a beating heart), the player lives through three years of high school and can meet about a dozen girls with different personalities and tastes. The girls tell the player what they think; their words are also displayed in text on the screen.

Ho ho ho ho.
(Snobbish laughter.)
Of course.

It was so much fun today.
Please take me out again.

I like it...
My heart is throbbing.

Sources: Asci Corporation; Konami Company



Thomson Unit to Cut 2,700 Jobs

Firm Being Sold to Lagardere Cites Defense Orders

Compiled by Our Staff From Dispatches

PARIS — Thomson-CSF, a state-controlled defense electronics company, said Monday it would cut 2,700 jobs next year because of the weak outlook for defense-related orders.

The company, which is due to be sold to Lagardere Groupe as part of Thomson SA, has been notifying employees for the past few weeks about its plans to cut jobs next year.

The cutbacks, confirmed by the company Monday, would bring the total number of job cuts over the 1996-97 financial year to 5,000.

A company spokesman said most of the cuts would involve early retirement and other arrangements, although two specific sites will close this year and in 1997, resulting in layoffs.

The spokesman did not elaborate on the sites but said 450 layoffs would occur at one site this year and 350 jobs would be lost to layoffs at another site next year.

The spokesman said Thomson-CSF's European work council had recently been informed of the plans.

The cuts do not involve Thomson Multimedia, the consumer electronics division of Thomson SA.

Thomson-CSF shares closed at 163.50 francs (\$31.92), down 0.50. Lagardere closed at 156.90 francs, up 2.90.

Thomson employees took to the streets of Paris and other French cities last week to protest the government's privatization plans.

Criticism has centered on the sale of part of it for the symbolic sum of 1 franc to Lagardere, which plans to sell control of Thomson Multimedia to Daewoo Electronics Co. of South Korea.

Critics have protested that selling Thomson Multimedia was the first step toward shipping jobs and technological know-how out of France.

But the government has countered that Lagardere's plan for Thomson was the best for France's defense industry and for the protection of jobs.

Lagardere plans to merge Thomson-CSF, the defense contracting portion of Thomson SA, with its own Matra unit. The government selected

Lagardere's bid for Thomson over a competing one from Alcatel Alsthom, which many industry analysts said would have been a better fit.

Critics of the sale to Lagardere also were inflamed by the government's decision to pump 11 billion francs in fresh capital into the unprofitable company to sweeten the sale.

The European Commission has opened investigations into the role of state aid in Lagardere's purchase plans. The commission also is investigating Daewoo's planned acquisition of Thomson Multimedia.

Thomson-CSF, which expects total sales of 36.9 billion francs in 1996, expects military sales in France to fall to 10 billion francs by the end of 1997 from 11.5 billion francs in 1995.

Thomson-CSF foresees 1996 orders at 33.1 billion francs, rising to 38.7 billion francs in 1997 and 38.2 billion in 1998.

Sales were put at 39 billion in 1997 and 40 billion in 1998, rising to 41.3 billion by 2000. (AFP, AP, AFX)

Re-entry Into Grid Gives Lira a Boost

Renaissance of Italian Currency Puts Heavy Pressure on the Mark

By Tom Buerkle
International Herald Tribune

BRUSSELS — Financial markets greeted Italy's return to the European exchange-rate mechanism by pushing the lira higher Monday, while the resulting slump in the Deutsche mark proved a boon for the dollar.

A senior official of the Bank of France, meanwhile, underscored the new French effort to put aside intra-European jockeying over membership in a planned monetary union and instead push for a strengthening of the dollar against all European currencies to stimulate growth and jobs.

"The problem facing us is not the rate of the franc against the mark but the rate of European currencies against the dollar," said Paul Marchelli, a member of the central bank's monetary policy council. He said the franc was overvalued by 8 percent to 10 percent against the dollar.

The dollar rose nearly 1 percent against the franc Monday, closing in New York at 5.1580 francs, up from 5.1125 francs Friday. It also rose to 1.5236 Deutsche marks from 1.5070 DM.

In Milan, the mark fell to 993.00 lire from 996.30 lire, closing in on the level of 990 lire agreed upon late Sunday by European central bankers and finance ministers as the rate for the Italian currency's return to the European exchange-rate mechanism.

Under the terms of the mechanism, the lira can fluctuate by 15 percent either side of the central rate.

Expectations that the Bank of Italy would take advantage of the lira's re-entry to cut its key short-term rate, still relatively high at 7.50 percent, were likely to keep the currency firm and sustain the recent influx of foreign capital into Italian stocks and bonds.

"While the large part of the move is completed, there is still some mileage

left," said Neil MacKinnon, a currency analyst at Citicorp in London.

The lira's re-entry into the exchange-rate mechanism shed little light on the broader question of which countries will launch a European single currency in 1999. But the difficulty of the weekend negotiations and the different spin that European capitals put on the outcome foreshadowed a fierce political struggle in the coming year over membership in the Continent's monetary union, officials and analysts said.

Joining the exchange-rate mechanism makes it likely that Italy will fulfill the single-currency requirement of two years of currency stability, analysts said.

In addition, the lower interest rates that membership should induce will cut financing costs on the country's massive debt, helping the government reduce its deficit toward the single-currency cel-

See EMU, Page 14

Thinking Ahead / Commentary

Diplomats: Don't Forget the Economy

By Reginald Dale
International Herald Tribune

WASHINGTON — For much of the postwar period, the balance of world power was defined in terms of ranges and throw weights of missiles. Today, it is usually more relevant to compare economic growth rates.

With the end of the Cold War and the advent of the global economy, geopolitics and geo-economics are becoming ever more closely intertwined.

Yet most of the candidates whom President Bill Clinton is reportedly considering for the post of secretary of state have qualifications more suitable to the bygone Cold War era.

They are mainly conventional diplomats and politicians, lacking the economic or business sense necessary to understand today's world.

Traditional foreign-policy problems, such as Bosnia and the Middle East peace process, have certainly not disappeared. But while the Soviet threat required a political and military response from Western governments, the huge power shifts currently under way around the world—including the rise of China—are primarily economic.

International business executives, trade experts and participants in financial markets are mostly well aware of this vastly different state of affairs—in fact, they have helped to bring it about.

But much of the Western policy-making establishment, including the media, has not yet caught up with it. Com-

mentators and analysts still frequently make the mistake of putting politics and economics in separate boxes.

It is still possible, for instance, to read learned analyses of U.S.-Chinese relations that do not mention China's request to join the Geneva-based World Trade Organization, perhaps the single most important factor in the equation.

Diplomats and politicians far too often assess Western policy toward Russia

The huge power shifts currently under way around the world are primarily economic.

solely in the old-fashioned perspective of the North Atlantic Treaty Organization's eastward expansion and the alliance's future security links with Moscow.

They ignore Russia's requests to join the Group of Seven leading industrial nations, the WTO and the Paris-based Organization for Economic Cooperation and Development—not to mention the role of the European Union and of the International Monetary Fund in reshaping the Russian economy.

Yet these are integral parts of the West's future relationship with Moscow and potentially key factors in reducing the risk of Russian isolationism. To neglect them is to throw away some of the West's best cards.

There is an element of intellectual snobbery in all this. Economic problems

tend to be considered boring work for technicians, while politicians and diplomats more grandly focus on the commanding heights of global strategy.

In some circles, economists and business journalists are looked down upon with the same disdain that the upper classes in Victorian England felt for anyone involved in commerce. Even today, some people in the policy-making world are actually proud of being economically illiterate.

One consequence is that while Bosnia and the Middle East are endlessly discussed on American television and in the press, little or no attention is paid to the rising economic power of countries such as India, Indonesia and Brazil, to Washington's increasingly crucial economic relations with its allies or to the great and challenging issues of the global economy.

But many of the answers to America's current concerns will be economic as much as political.

Greater prosperity in Latin America will stem the flow of illegal immigrants — and maybe of drugs. Economic development will help relieve tension in the Middle East, promote stability in Russia and reduce the need for U.S. intervention in assorted Third World trouble spots.

If the United States is to develop the comprehensive strategy it needs to assert a world role in the 21st century and to combat isolationism at home, it must shake off Cold War attitudes. Mr. Clinton can make a start by nominating a few top officials who understand global economics.

CURRENCY & INTEREST RATES

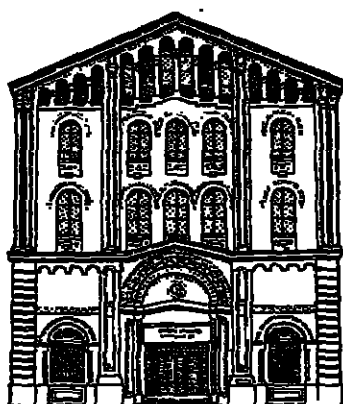
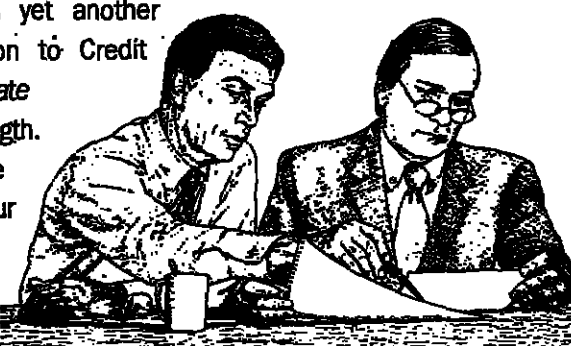
Cross Rates									
	1	2	3	4	5	6	7	8	9
Australian dollar	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
British pound	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65
Canadian dollar	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
French franc	6.55	6.55	6.55	6.55	6.55	6.55	6.55	6.55	6.55
German mark	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Italian lira	1,936	1,936	1,936	1,936	1,936	1,936	1,936	1,936	1,936
Japanese yen	106	106	106	106	106	106	106	106	106
New York dollar	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Portuguese escudo	200	200	200	200	200	200	200	200	200
Spanish peseta	166	166	166	166	166	166	166	166	166
Swiss franc	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73
Swedish krona	8.46	8.46	8.46	8.46	8.46	8.46	8.46	8.46	8.46
Thai baht	54.8	54.8	54.8	54.8	54.8	54.8	54.8	54.8	54.8
U.S. dollar	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
West German mark	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Yen	106	106	106	106	106	106	106	106	106
Libor-Libor Rates									
	1	2	3	4	5	6	7	8	9
1-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
3-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
6-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
9-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
1-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Key Money Rates									
	1	2	3	4	5	6	7	8	9
1-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
3-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
6-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
9-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
1-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Forward Rates									
	1	2	3	4	5	6	7	8	9
1-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
3-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
6-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
9-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
1-year	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

You've got the vision. We've got the know-how.

You see things for what they are. And also for what they could be. It's the kind of vision that ignites and fuels the entrepreneurial spirit. We at Credit Lyonnais Private Banking share this vision. And, equally important, we have the knowledge, specialized products and services to help you get where you want to go.

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management, financial instruments and precious metals. Whether you are a private, corporate or institutional client, you'll find Credit Lyonnais



Our Geneva subsidiary, specialized in Private Banking since 1876.

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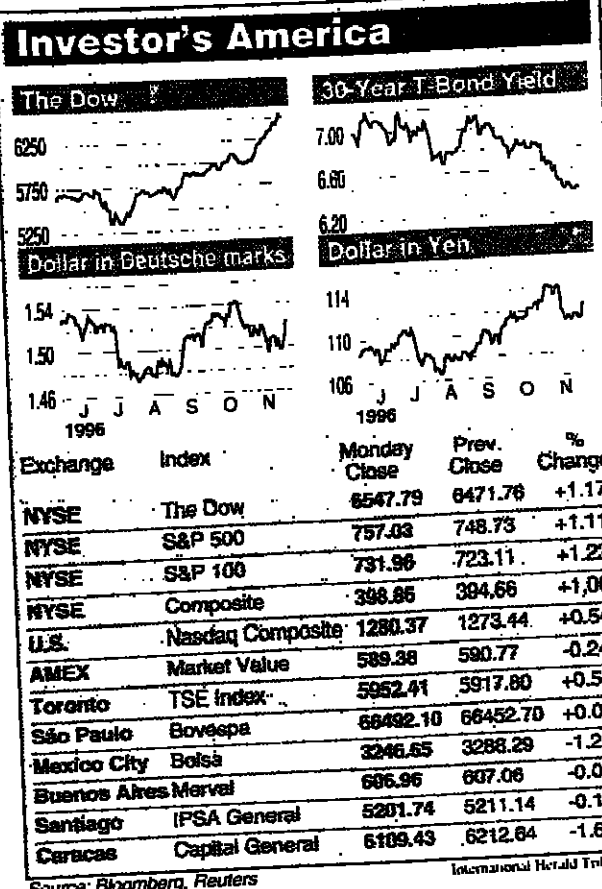
THE AMERICAS

Duke Power to Buy Gas Pipeline Firm for \$7 Billion

Charlotte, N.C. — Duke Power Co. said Monday it would buy PanEnergy Corp., a natural-gas pipeline company, for about \$7 billion in stock. The transaction, at \$45.50 a share, would combine one of the largest and lowest-cost electric utilities in the United States with North America's third-largest marketer of natural gas. The combined company would be known as Duke Energy and have a market value of about \$23 billion. The merger is part of a trend driven at least partly by reduced government regulations: Electric and natural-gas companies have been combining to offer one-stop energy shopping for businesses and residential customers.

As the gas and electric markets have begun to converge, we have recognized a need to align ourselves with an electric partner, said Paul Anderson, chief executive of PanEnergy. Part of PanEnergy's lure for Duke is its agreement with Mobil Corp. to build a 1,040-mile gas pipeline, said Edward Tirello, an analyst with NatWest Securities. Duke and Mobil agreed in May to merge their natural-gas marketing operations. Working with Mobil will bring PanEnergy greater name recognition, Mr. Tirello said. Duke said it expected to benefit from PanEnergy's experience in operating in a more competitive market. The U.S. natural-gas industry was deregulated in the 1980s and early 1990s. Sales of electricity be-

tween U.S. utilities have already been deregulated, and electricity sales to homes and small businesses are expected to be opened to competition by the end of the decade. PanEnergy shareholders will receive 1.04 shares of Duke Power for each PanEnergy share they hold. On Monday, Duke shares closed at \$46.125, down \$1.75, while PanEnergy rose \$1.50, to \$43.75, giving the transaction a value of \$45.50 for each PanEnergy share. Duke Power serves 1.8 million customers in North and South Carolina. PanEnergy, based in Houston, operates 37,000 miles of pipelines in the Midwest and Northeast. Bruce Williamson, vice president of finance at PanEnergy, said a small number of jobs might be eliminated if the deal went through. Duke Power's president, Richard Priory, said the deal had been seen as a way to increase revenue, not cut costs. Duke has already expanded beyond its traditional service area in North Carolina and South Carolina through a joint venture with Louis Dreyfus L.L.C. Duke/Louis Dreyfus sells power to utilities in other states. "In our dramatically changing industry, we need to define ourselves by our customers' needs, not by our traditional product offerings," said William Grigg, chairman of Duke Power. If Duke Power completes its purchase of PanEnergy, Mr. Grigg will retire. Mr. Priory, who is Duke's chief operating officer as well as its president, will become chairman of Duke Energy. Mr. Anderson, president and chief executive officer of PanEnergy, will become president and chief operating officer of Duke Energy. Dennis Hendrix will step down as chairman of PanEnergy and will join Duke Energy's board. The Duke Energy board will be made up of 18 members, 11 from Duke and seven from PanEnergy. The company will be based in Charlotte, North Carolina. The deal depends on approval by PanEnergy and Duke Power shareholders as well as state and federal regulatory agencies. The companies hope the deal can be completed within 12 months. (Bloomberg, AP, Reuters)



Very briefly:

- KeyCorp plans to cut 2,700 jobs, or 10 percent of its work force, and take a \$100 million charge against fourth-quarter earnings in a consolidation of the bank holding company's operating structure.
- Chiron Corp.'s shares fell \$3.75, to \$18.125, after the company said its experimental vaccine for genital herpes did not work and that it would end trials for the vaccine.
- MCA Inc., a Seagram Co. unit, agreed to buy several syndicated television shows from Gannett Co.'s Multimedia Entertainment unit. The price was not disclosed.
- GT Interactive Software Corp. bought Warner Interactive Entertainment and its entertainment software business outside North America for an undisclosed amount.
- Coinmach Laundry Corp. agreed to buy Kwik Wash Laundries for \$140 million in cash and debt.
- Excite Inc. will buy America Online Inc.'s Internet directory for about \$15 million in stock, making it the on-line company's exclusive search service.

EMU: Mark Drop Buys Dollar

Continued from Page 13

ing averages as the basis for converting national currencies into the euro. "Countries are keen to enter economic and monetary union at competitive rates," he said.

Yen Loses Strength

The dollar rose against the yen after a central bank official said that more bank collapses in Japan could not be ruled out, Bloomberg Business News reported from Tokyo.

"The possibility of more financial institutions going under cannot be excluded," Tadayo Honma, the Bank of Japan's executive director, told the Nikkei English News service.

Last week the government closed Hanwa Bank, a regional bank. That was the third regional bank failure since December 1994 and the first government-imposed shutdown since World War II.

With the banking system in such a upstate, analysts said, the dollar closed in New York on Monday at 112.635 yen, up from 111.400 yen Friday.

The U.S. currency also rose to 1.2885 Swiss francs from 1.2708 francs, while the pound slipped to \$1.6684 from \$1.6805.

Stocks Surge on Slow-Growth Data

NEW YORK — Stocks steamed ahead Monday, with the Dow Jones industrial average topping 6,500 points for the first time, as economic data pointed to slowing economic growth without the threat of inflation.

All three major indexes broke through records set Friday. The Dow industrials rose 76.03 points to 6,547.79, the Standard & Poor's 500 index sprinted 8.30 points to 757.03, and the Nasdaq composite index climbed 6.01 points to 1,280.37.

The Dow average is up 8.6 percent this month, its biggest monthly rise since 1991.

The National Association of Realtors said Monday that home sales fell 1.5 percent last month, to an annual rate of 3,970,000, fewer than analysts were expecting.

"Everything seems to show low inflation and moderate growth," said Pat Miner, a manager at Mutual of Omaha. The price of the benchmark 30-year Treasury bond rose 4/32 point, to 101, taking the yield down to 6.42 percent from 6.44 percent Friday.

Philip Morris led the Dow average higher, rising 3/4 to 105 1/4 in an advance fueled by the resignation of David Kessler as head of the Food and Drug Administration. Mr. Kessler had sought more regulations on tobacco. Traders were caught by surprise by the announcement. Options to buy

Philip Morris at prices ranging from 90 to 110 in December and January all traded below their average daily volume in the days preceding the announcement.

Bank shares gained. BankAmerica soared 5 1/2 to 103 1/4 after Smith Barney raised its target for the company to \$115 a share from \$100.

Eli Lilly shares rose 3 to 78 after the company said the Food and Drug Administration had cleared its depression treatment Prozac to treat the eating disorder bulimia nervosa.

Applied Materials fell 1 to 37 1/2 after saying it would spend \$285 million to acquire Orbital Sciences, a semiconductor inspection and measurement systems. (Bloomberg, AP)

Weekend Box Office

LOS ANGELES — "Star Trek: First Contact" dominated the U.S. box office over the weekend, with a gross of \$30.4 million. Following are the Top 10 moneymakers, based on Friday's ticket sales and estimated sales for Saturday and Sunday.

1. Star Trek: First Contact (Paramount) \$30.4 million
2. The Untouchables (Warner Bros.) \$16.6 million
3. The Untouchables (Warner Bros.) \$16.6 million
4. The Untouchables (Warner Bros.) \$16.6 million
5. The Untouchables (Warner Bros.) \$16.6 million
6. The Untouchables (Warner Bros.) \$16.6 million
7. The Untouchables (Warner Bros.) \$16.6 million
8. The Untouchables (Warner Bros.) \$16.6 million
9. The Untouchables (Warner Bros.) \$16.6 million
10. The Untouchables (Warner Bros.) \$16.6 million

INTERNATIONAL FUTURES

Table with multiple columns for various international futures contracts including Corn, Soybean Meal, Soybean Oil, Wheat, and others, listing prices and changes.

Table titled 'Monday's 4 p.m. Close' showing stock prices for various companies like IBM, Microsoft, and others.

Table titled 'U.S. STOCK MARKET DIARY' showing market indices like Dow Jones, S&P 500, and Nasdaq.

PANGOR LAUT RESORT advertisement featuring a scenic view of a resort and promotional text.

Table titled 'Dividends' showing dividend information for various companies.

Table titled 'Stock Indexes' showing various stock market indices and their values.

Table titled 'Stock Tables Explained' providing detailed information about stock market data and indices.

Some of our competitors like to talk about us. But not in detail.

We're Europe's No. 1 supplier of airborne radars, optronic equipment, electronics for weapon systems, military communications, electronic warfare and air command systems. We're outright world leader in naval combat systems, and second worldwide in tactical air defense systems and sonar systems. Thomson-CSF covers practically the whole spectrum of defense electronics technologies and disciplines, and is one of only five companies in the world that can claim to do this. We rank third in this big league of world-class professional and defense electronics companies. Which makes us logical partners on the major defense programs of the next century, both in Europe and worldwide.

In non-defense markets, Thomson-CSF also has world leadership positions in key areas such as air traffic management, simulation, avionics and TV and radio transmitters. And in a number of emerging markets, like automotive electronics and health care information systems, our technologies have real commercial potential.

Thomson-CSF is an international group of companies with 46,500 employees in fifty countries – mainly in Europe but also in the United States and Asia Pacific. We are already the largest defense electronics company in the Netherlands, and the third-largest in the United Kingdom.

For the last ten years, Thomson-CSF has been pursuing an external growth policy which has steadily improved its economic and financial fundamentals. We have annual sales worth US\$7.2 billion, 58% in international markets, and an order book of more than US\$13 billion. Net income is more than 5% of revenues, which is one of the best margins in the industry. Forty-two percent of Thomson-CSF stock is already publicly traded, and the stockmarket value of the company stands at close to US\$4 billion.

Above all, Thomson-CSF is a vast storehouse of technological expertise – expertise we maintain at the cutting edge through sustained investments in research and development. In 1995, US\$1.6 billion went into R&D, which represents more than 22% of revenues.

Thomson-CSF is a sound company with a clear vision and ambition. That ambition is to play its full role in the future of the European defense industry. To be more than a match for any world leader in the sector. And to meet the expectations of its shareholders, customers and employees.

This is what our competitors won't tell you.

RESEARCH AND
DEVELOPMENT WORTH
22% OF REVENUES

35% OF REVENUES
IN CIVIL MARKETS

MARKET
CAPITALIZATION
CLOSE TO
US\$4 BILLION

OPERATING INCOME
MORE THAN
5% OF REVENUES

46,500 EMPLOYEES
WORLDWIDE

THOMSON-CSF HALF-YEAR RESULTS	
Consolidated revenues	US\$1.7 billion
up 5.2% on Parity of 1995	
Operating income	US\$184 million
equivalent to 10.8%	of revenues
Net income	US\$144 million
equivalent to 8.5%	of revenues
Operating assets	US\$2.5 billion
equivalent to	148% of revenues
at December 31, 1995	
Order backlog	US\$13.3 billion
at June 30, 1996	

EUROPEAN LEADER
IN PROFESSIONAL ELECTRONICS

US\$7.2 BILLION
IN REVENUES, 58% IN
INTERNATIONAL MARKETS

 **THOMSON-CSF**

For more information, you can visit us on Internet at <http://www.thomson-csf.com>

50 من الاميل

EUROPE

Skandia Bids to Acquire Mortgage Bank

But Government Assails Target of Insurance Concern's \$3.8 Billion Offer

Compiled by Staff From Dispatches

STOCKHOLM — Skandia Insurance AB, Sweden's largest insurer, said Monday it would pay 23.1 billion kronor (\$3.8 billion) to acquire the nation's top mortgage bank, Stadshypotek AB, in a move that would form one of the Nordic region's biggest financial institutions.

If the bid, which drew criticism from the Swedish government, is successful, it is expected to be followed by other attempts at consolidation by Swedish banking and insurance companies as they join a global trend of consolidation and cost-cutting.

"This is the break in the logjam; others will follow," said Peter Thörn, an analyst at Paribas Capital Markets. The bid has been endorsed by the boards of Skandia and Stadshypotek, but it has not been approved by the Swedish government, which controls 34 percent of Stadshypotek.

Finance Minister Erik Aasbrink

said he was "very critical" of the way the board of Stadshypotek had become involved in a takeover bid without informing the government, which decided Friday to sell its stake in the mortgage bank.

"I have no confidence in the present board of directors of Stadshypotek," Mr. Aasbrink said. Mr. Aasbrink said the government had received preliminary declarations of interest from foreign and other Swedish companies, and he said they would "have the chance to bid" for its stake in a "controlled auction."

Mr. Aasbrink said the action taken by Stadshypotek's board risked disrupting the auctioning process.

"I recently learned that the board has been negotiating with Skandia regarding a merger for quite some time without informing the largest shareholder," he said. "In my opinion, the Stadshypotek's board has clearly gone into an area reserved for

shareholders. The board's behavior is contrary to what is customary practice in Swedish industry."

Only an auction can determine the best price for the shares, he said, adding that "the auction process could suffer as a result of the Stadshypotek board's behavior."

The two companies said the transaction would help them grow outside Sweden, where most of the expansion opportunities are for Swedish banks and insurers.

"In addition to the traditional providers of financial services, competition has increased through the presence of new Swedish and foreign competitors," the companies said. "The current high level of competition is expected to intensify once the single European market develops further."

Skandia is offering 10 new Class A shares for every 11 Class A Stadshypotek shares held and 82 new Class A shares for every 95 Class B

shares. To try to increase the share value, the companies said they will propose buying back 3.8 billion kronor of shares next year. Shares of Skandia closed at 197 kronor in Stockholm, down 11.50. Stadshypotek ended at 203 kronor, up 5.

The merged company is to be named Skandia Forsäkrings AB Stadshypotek. It will have net assets of 37.5 billion kronor and total assets of about 506 billion kronor, the companies said. That would put it somewhat behind the Nordic region's largest bank, Svenska Handelsbanken AB, which has assets of 564 billion kronor. The banking portion of Handelsbanken currently has assets of just over 500 billion kronor.

"We are convinced that the strength of two reputable and well-known brand names will be further enhanced, which will strengthen our market position," said Bertil Aaberg, president of Stadshypotek. (Bloomberg, Reuters, APX)

Moscow Pledges To Honor Czar's Debt

Compiled by Staff From Dispatches

MOSCOW — Prime Minister Viktor Chernomyrdin said Monday that Russia would honor debt issued by the czarist regime, which was denounced by the Soviet government. Interfax news agency reported.

"We will pay the debts," Mr. Chernomyrdin said, referring to borrowings before the Russian Revolution in 1917, but he gave no details.

Mr. Chernomyrdin is scheduled to visit France on Tuesday and meet with President Jacques Chirac.

Trading in Russian bonds was suspended Monday on the Paris Bourse, meanwhile, amid talk of an impending deal between France and Russia on the issue.

The suspension did not apply to a bond issued in London last week of a \$1 billion, 5-year Eurobond, Russia's first international offering since the time of the czar.

The issue was not placed in France because of outstanding compensation claims by holders of debt issued before the 1917 Bolshevik Revolution.

Holders of czarist bonds, particularly in France, have long pressed for redemption of the bonds. Russia defaulted on its loans, which were used to finance big projects such as the Trans-Siberian railroad.

French investors were heavy buyers of the bonds, issued between 1822 and 1913, and thousands of small savers were holding virtually worthless certificates. The successors of the original buyers are claiming back 140 billion to 160 billion francs (\$27.5 billion to \$31 billion), taking account of unpaid interest since the revolution.

Moscow has argued that its liability for czarist-era debt must be offset against seizures of Russian assets in the West after 1917. (AFP, Reuters)

Investor's Europe				
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
2825	4100	2265		
2750	4000	2250		
2675	3900	2175		
2600	3800	2100		
2525	3700	2025		
2450	3600	1950		
1996	1996	1996		
Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam EOE	1023.27	1023.27	615.47	+1.27
Brussels EOE	2789.19	2789.19	2783.69	+1.28
Frankfurt DAX	2825	2825	2825	+0.45
London FTSE 100	4100	4100	4082.14	+0.26
Madrid IEX	3800	3800	3800	-0.18
Oslo OBX	4082.14	4082.14	4082.14	+0.89
Paris CAC 40	2265	2265	2265	+0.82
Stockholm OMX	197	197	197	-0.48
Tel Aviv TA-35	2277.14	2277.14	2255.47	+0.96
Zurich SMI	2417.18	2417.18	2402.14	+0.63
	1,100.85	1,100.85	1,097.68	+0.29
	2,485.88	2,485.88	2,487.59	+0.15

Very briefly:

- Christian Salvesen PLC will pay \$150 million (\$252.1 million) in special dividends and spin off its Aggreko industrial equipment rental unit, its first-half pretax profit rose 15 percent to \$51.6 million as sales rose 11 percent to \$381.3 million.
- Carlsberg A/S's net profit rose 5 percent in its latest year to 1.13 billion Danish kroner (\$195.9 million) as sales rose 5 percent to 17.97 billion kroner.
- French consumer prices rose 0.3 percent in October from September and were up 1.8 percent from a year earlier.
- Amer Oy plans to sell its automotive and automobile-leasing businesses for 320 million Finnish markkaa (\$70.6 million).
- Western German consumer prices fell a provisional 0.1 percent in November from October but were up 1.4 percent from a year earlier.

Bloomberg, AFP

Eurotunnel Faces Demand for Compensation

By Erik Ipsen
International Herald Tribune

LONDON — The French, Belgian and British operators of the Eurostar train service said Monday they would seek compensation from Eurotunnel, the operators of the Channel Tunnel, for loss of revenue after a fire last week canceled passenger train services between Britain and the Continent.

"We have a contract in place with Eurotunnel, and we intend to seek compensation," said Roger Harris-

on, a Eurostar spokesman in London. Eurostar is the high-speed passenger train service that connects London to Paris and Brussels through the tunnel. Eurostar is still taking reservations for travel starting next week, hoping that by that time the damaged tube of the Channel Tunnel will again be open for passenger service.

Since a fire broke out on a freight shuttle 17 kilometers (11 miles) into the tunnel a week ago, Eurostar's schedule of 44 passenger trains a day has been suspended. The only services that authorities have al-

lowed to go through the undamaged tunnel are freight trains. Tunnel executives say it could be months before full service is restored.

How much of the lost revenue will be covered by insurance remains uncertain. Eurotunnel refused to confirm an article published in Le Monde on Monday that said the company had a 5 billion franc (\$982 million) insurance policy with Union des Assurances de Paris to cover it against lost revenue and damage to the tunnel. But analysts said the fire hardly mattered for a company already

saddled with \$9 billion (\$15.13 billion) of debt.

"The fire doesn't change anything," said Jeff Summers, head of research at debt traders Klesch & Co. "I think that Eurotunnel's banks and shareholders have far more to think about than three months or so of lost revenues." Some analysts say Eurotunnel's difficulties could help it. Last month it reached a tentative agreement to restructure bank debt. A final vote on that deal may be easier for Eurotunnel to obtain in its new, distressed condition.

KLM May Buy Back Government's Shares

Bloomberg Business News

AMSTERDAM — Shares in KLM Royal Dutch Airlines NV surged 8 percent Monday after the airline said it was in talks to buy back part of the 38.2 percent stake held by the Dutch government.

Over the weekend, Dutch newspapers reported that KLM wanted to buy back part of the 25.7 million common shares from the govern-

ment and cancel them, which would raise the value of the remaining common shares. A KLM spokesman confirmed that the airline was taking with the government but declined to elaborate.

On the Amsterdam Stock Exchange, KLM stock closed at 45 guilders (\$26.66), up 3.40.

The government share of KLM is 25.7 million common shares, 11.7

million cumulative preferred shares and 1,300 priority shares.

The government's common stock would be worth 1.16 billion guilders at Monday's closing price.

According to the daily newspaper De Telegraaf, KLM wants to sell another batch of shares to two groups of Dutch institutional investors to maintain the airline's Dutch character.

These two holding companies, both with a 5 percent stake of preferred shares, would be listed on the Dutch stock exchange, the newspaper said.

KLM's shares hit a six-month high of 63.80 at the end of May but have fallen consistently since then as investors worried that rising fuel and labor costs would undermine earnings.

WORLD STOCK MARKETS

Monday, Nov. 25

Prices in local currencies.

Telekurs

High Low Close Prev.

Amsterdam

EOD Index: 1023.27

Previous: 1023.27

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Spain

A Sleek Museum Stirs the Basques

New Symbol for an Old City?

BILBAO, Spain — The morning sun casts piercing reflections off the silvery roof of the new Guggenheim Museum with an intensity to match divided opinions here about the expensive building that is supposed to lead industrial Bilbao back to economic glory.

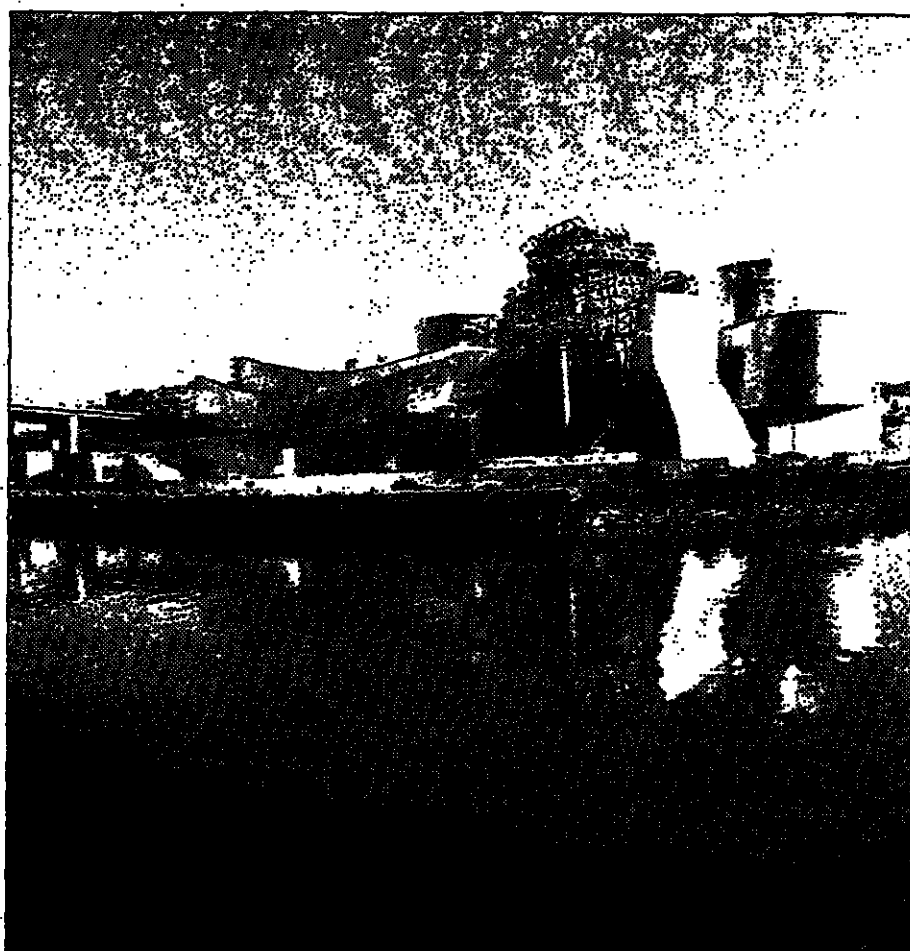
When it opens next summer on the site of former shipyard warehouses in the city center, the Bilbao Guggenheim will have more exhibition space than the three Guggenheim museums in New York and Venice combined.

But Basque government officials, who are paying the full \$80 million construction bill, insist that they have not been blinded by the glamour of luring contemporary art from the Guggenheim's vaulted collection or showcasing it in architect Frank O. Gehry's curvy museum topped with a shiny roof of titanium, which looks like stainless steel.

"A museum by itself cannot save a town," said Juan Ignacio Vidarte, managing director of the museum. "It's a piece of this broader scheme which is aimed at enhancing the economic competitiveness of the Basque country in relation with Europe."

He acknowledged that the Guggenheim "is the most visible" of many projects, including the new convention center, concert hall and the enlarged airport, in a decade-long, \$2.3 billion public spending makeover of the Bilbao area.

Few seem to disagree that the city known for shipbuilding and steel plants should move the heavy industry to the outskirts, leaving the urban center for services and hopefully



Continued on Page 21

Basque officials hope the Guggenheim Museum will draw big crowds to Bilbao.

Aznar, in a Quiet Manner, Charts New Economic Path

By Al Goodman

MADRID — During his visit to Spain last month, Yasser Arafat, the Palestinian leader, gave Prime Minister Jose Maria Aznar a friendly lesson on the semantic significance of the word "aznar" in Arabic.

"He told me," the smiling prime minister said at a crowded news conference with his guest, "that aznar means 'fortress of fire.'"

But after six months in office as Spain's first conservative prime minister in 13 years, Mr. Aznar has hardly been a political "fortress of fire," unlike his predecessor and nemesis, Felipe Gonzalez, the Socialist Party leader.

Instead, the reserved Mr. Aznar, 43, prefers a methodical push to make Spain a founding member of the planned European single currency and to implant his conservative agenda, focusing on less government and more private initiative, across the nation of 39 million people.

The change in style and substance has won praise from many business leaders. But some disquieting news for Mr. Aznar came in two opinion polls last month showing that the Socialist Party, which Mr. Aznar narrowly defeated in general elections in March, was slightly more popular now.

Elections are not due until 2000, so the

prime minister has concentrated on bolstering support for his minority government where it really counts in the short term — with the main conservative parties in the Catalan and Basque regions.

It was the election outcome in those regions that enabled Mr. Aznar to take office and he is counting on them again to help pass his budget for 1997.

It is a seemingly odd political partnership, because Mr. Aznar's Popular Party is the standard-bearer of a centuries-old tradition in Spain that favors a strong, centralized government.

This view would allow only minor power for the distinctive and fiercely proud regions like Catalonia or the Basque country, where many people prefer to speak their own languages instead of Spanish.

"His ability to make a deal with the Catalans and Basques and bury the historic enmity will be seen as a major achievement," a Western diplomat in Madrid said. "Aznar's building a conservative coalition on economic issues. He swallowed his pride and he's done it with grace and dignity."

Critics complain that the prime minister is also paying a king's ransom to the regions by transferring tax money and government jurisdiction that will not, they say, ease historic regional imbalances in Spain. The economic powerhouses of Catalonia and the Basque

Continued on Page 20

Determination to Be in First Class of Euro Club Unites Both Right and Left

By Tom Bueckle

BRUSSELS — The planned European single currency may be causing misgivings in Germany about the loss of monetary independence and spreading fear of social unrest in France, but the single-minded pursuit of monetary union reigns unchallenged south of the Pyrenees.

The determination of Prime Minister Jose Maria Aznar to place Spain in the first group of countries entering the

monetary union in 1999 underscores the paramount importance that membership in the European Union holds for the country.

Spain's accession to the then-European Community in 1986 ended decades of isolation under the dictatorship of General Francisco Franco, while access to European markets and billions of dollars of EU development aid have enabled the country to begin to reverse centuries of relative economic lag.

And so there has been little dissent toward the government's tough-budget cuts, which are designed to ensure that

Spain stays in the EU vanguard by participating in monetary union.

Instead, Spain's pro-European tilt has been a striking point of consistency in the transition to Mr. Aznar's conservative Popular Party government from 14 years of Socialist rule. And government policy is geared toward maintaining the benefits of membership as Europe approaches the revolutionary changes of monetary union and then expansion to the East.

"In all Spanish hearts, there is a frustration that we have been outside European modernization for 200

years," explained Javier Elorza, Spain's permanent representative to the European Union.

The psychological importance of Europe has been backed up by impressive amounts of EU money.

In the past decade, Spain has received 4.5 trillion pesetas from the Union's structural and cohesion funds, an amount worth about \$35 billion at current exchange rates. This year alone, those funds will account for just more than 1 percent of gross domestic product.

The European Investment Bank, the

EU's development lending arm, has provided an additional 18 billion European currency units (\$23 billion) in loans.

That money has financed a dramatic modernization of the country's roads, airports, telecommunications network and other infrastructure, and enabled Spain to sustain a growth rate the envy of its EU partners. Since entry, the country's growth rate has averaged 2.9 percent a year, half a point higher than the EU average, and Spain's per capita income has risen to 61.5 percent of the EU average from 54 percent.

EU membership also has injected a much needed dose of liberalization to the country's formerly protected economy.

Iberia today faces competition from upstart airlines, and competition in mobile telephony is giving a hint of the shakeup to come in 1998 when Telefonos loses its monopoly on basic telephone service as the Aznar government plans to accelerate the privatization of state-owned companies begun under his predecessor, Felipe Gonzalez.

Continued on Page 21

Strength in new technologies,



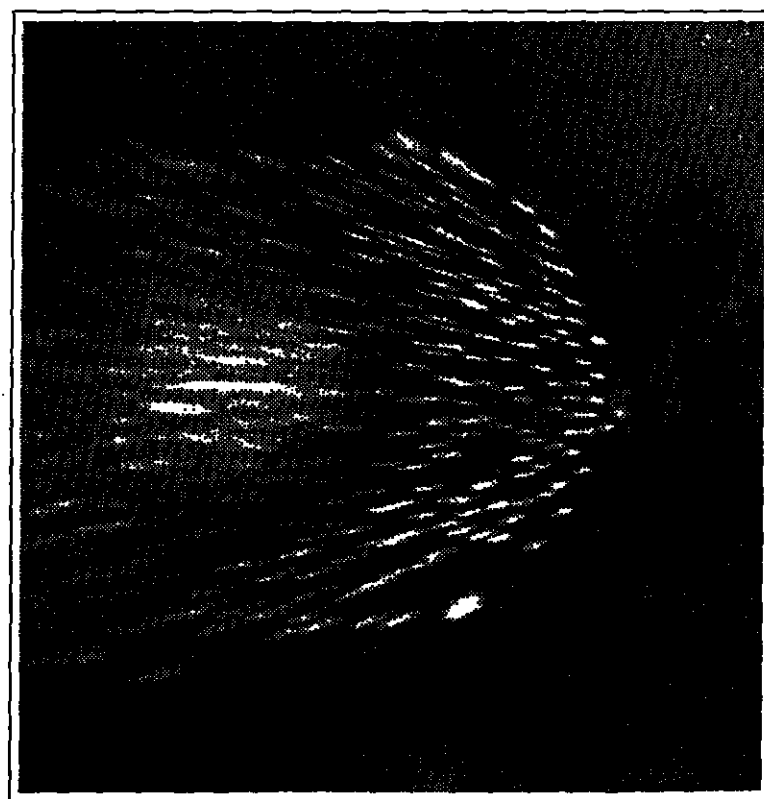
in international presence,

in resources.

- 4 billion pesetas a year in import/export.
- More than 250,000 million pesetas to invest in new projects.
- Present in 28 countries with more than 2 billion pesetas handled in foreign currencies.
- First in Telephone Banking in Spain, fully introducing new technologies.

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SPAIN / A SPECIAL REPORT

Telephone Service Ahead of Schedule on Ending State Monopoly

By Ana Westley

MADRID — The days of state-controlled telephone monopolies with abusive prices in the European Union are being slashed back ever earlier.

Uncertainties over when Spain will finally open its market were finally cleared up this month with a new timetable for complete liberalization soon after most other European countries.

Under heavy pressure from the European Commission, Spain agreed to open its telecommunications market to foreign competition by Nov. 30, 1998, waiving a five-year grace period that Spain had originally been granted to achieve universal telephone coverage and to modernize its system in preparation for outside competition.

Bids for licenses will be accepted by August 1998.

Ahead of schedule in its infrastructure networks and universal service coverage, Madrid also dropped its latest offer of delaying full liberalization until late 1999, a year later than most EU countries.

The idea behind the later date of 1999 was to favor a telephone "duopoly" by giving a healthy head start to a second Spanish operator of basic telephony before the inevitable free-for-all in which foreign competitors would carve out market niches in Spain's lucrative telecommunications market, the fifth largest in the EU.

Telecommunications revenue represented 2.6 percent of Spain's GDP in 1995, according to an estimate of the School of Telecommunications Engineering of the University of Madrid.

In exchange for the earlier liberalization, the European Commission cleared the participation of Telefonos de Espana, Spain's 21 percent state-owned telephone monopoly, in Unisource, an alliance of Dutch, Swedish and Swiss operators linked to AT&T of the United States.

Brussels, meanwhile, hopes that Spain's move to a fully open telecommunications market will help unblock international telecommunications trade negotiations that are being extended through next year under the auspices of the Geneva-based World Trade Organization.

The United States had used Spain as an example of inadequate European offers, along with examples from countries in Latin America and Asia, to delay opening its market, but has now added the liberalization of submarine cable services to its negotiating package with promises of further liberalizations providing more countries throughout the world join the bandwagon of better deals.

The battle for full telecommunications liberalization in Spain has produced strange paradoxes in which the chairman of the state-controlled telephone monopoly, which is soon to be fully privatized, demanded full liberalization while the eight-month-old conservative government, which campaigned on a free market liberalization platform, championed protectionism for a second Spanish-controlled telephone service.

This would be operated by the state signal carrier, Ente Publico Retevisión, which is to be privatized before the year's end or in early January.

"Telefonica wants immediate liberalization in 1998," its chairman, Juan Villalonga, stressed at a news conference in defiance of the Spanish government's offer in Brussels to liberalize by 1999.

"There is no sense for us wanting to be in other markets if we do not open our own doors," he argued.

Mr. Villalonga warned that Telefonica's share price would plummet 15 percent to 20 percent if it were to be

banned from Unisource, endangering the government's plans to fully privatize the giant in early 1997.

"The duopoly idea was absurd," a Telefonica official argued. "It was like raising your own child in a protected family, then marrying it off to an international suitor who would then take over your business."

In the new liberalization calendar, Retevisión will have almost two years to get on its feet, time enough to get a decent head start, according to Victor Gonzalez, a Development Ministry spokesman. The leading contenders expected to acquire the 51 percent to 80 percent stake to go on the block include the Spanish banks Banco Santander and Banco Central Hispano-Americano.

These hold important stakes in Airtel, Spain's second mobile telephone company that began operating last year, and the electric utility Empresa Nacional de Electricidad SA.

The "hard core nucleus" of Telefonica board members, which include rival Spanish banks, Banco Bilbao Vizcaya, the state-controlled bank Argentaria and

La Caixa, a savings bank of Catalonia, will be allowed to buy shares in Retevisión, but will be restricted from any board representation.

Foreign operators that have expressed an interest in Retevisión include British Telecommunications, which recently merged with MCI of the United States to form Concert and forged a telecommunications partnership in Spain with Banco Santander to operate a data transmission network.

Other foreign operators showing interest are France Telecom and Deutsche Telekom, either separately or with Global One, an international telecommunications alliance with Sprint Corp. of the United States.

Yet, with the shortened timetable, some prospective Spanish shareholders are having second thoughts. "Evidently, the situation has changed now and we have lost interest in Retevisión," said Pedro Chicharro, a director at Banco Santander in charge of telecommunications operations. He said that the longer the intermediate period of duopoly or partial liberalization, the more

the consumer has benefited both abroad and in Spain's own experience in which a second mobile phone company began operating a year ago.

Indeed, Spanish cellular phone prices, connection rates and phone rates have fallen dramatically while the market has more than doubled, from less than a million users in 1993 to well over 2.5 million in 1996.

In mobile phones, the competition has been ferocious with aggressive advertising, cutthroat rate reductions and even free phones, which only a year ago cost more than \$650.

Even Telefonica has learned that competition and lower prices are good for business by generating more customers. In a bit more than a year, Airtel, Spain's second mobile operator, has won half a million clients, while Telefonica has almost doubled its cell phone clientele to nearly two million. Airtel expects to have 700,000 customers by the end of the year.

Telefonica has discovered that lower rates cause greater demand in other areas as well. A reduction in interna-

tional phone rates in Telefonica's regular service this year was followed by a 16 percent increase in calls.

Spain's high phone rates may have contributed to the country's lower telephone coverage of 36 phones per 100 inhabitants, compared with an average of 52 phones per 100 in the 17 most wealthy countries.

"The sector was weak due to Telefonica's monopoly," said Aurelio Alonso Cortes, the president of the Commission for the Defense of Competition of the National Confederation of Employers.

"The name of the game is now going to be market segmentation or market niches for competitors," said Mr. Chicharro of Banco Santander, even though Telefonica will continue to compete in almost all sectors.

In the new timetable, a third mobile phone operator will be able to bid for a license in 1997 and be in operation the following year.

ANA WESTLEY is a freelance journalist based in Madrid.

Basque Cooperative Is Thriving With Some Capitalist Ideas

By Al Goodman

MONDRAGON, Spain — Antonio Canelo started out working as a nurse. Now he is chairman of an employee-owned Basque conglomerate, with assets of \$10 billion, that makes everything from Ford auto parts to AIDS prevention kits for drug addicts.

Along the way, Mr. Canelo, 59, says he lost some of his "purity," not for deserting medicine, but because the Mondragon Corporación Cooperativa has embraced an antithetical concept called capitalism.

The heart of the business, inspired by a Roman Catholic priest in the verdant Basque valleys of northern Spain, is still a cooperative group, engaged in manufacturing, distribution and banking. Trade unions have never penetrated it because workers already call the shots.

But the growth of the Mondragon enterprise elsewhere in Spain and abroad is following a capitalist approach.

"People out of work worry very little whether their next job will be in a cooperative or a capitalist corporation," Mr. Canelo said, referring to Spain's roughly 22 percent unemployment rate.

"If we have lost some of our purity, it doesn't matter. The fundamental thing is to create jobs."

Mondragon has added 1,300 jobs this year, swelling its workforce to 30,000 and solidifying its status among the top 10 Spanish-owned enterprises.

But in the past, all Mondragon workers were part-owners of the company. Now, only 66 percent of them are, said a company spokesman, Jesus Ginto.

A majority of the recent jobs are capitalist style. Workers are paid a salary at Mondragon's 10 manufacturing plants abroad, like the factory in China that makes luxury tour buses, and also at new stores of the Eroski supermarket group that is rapidly expanding around Spain and in southern France.

By contrast, members in Mondragon's core cooperatives in the Basque region invest \$12,000 in personal funds in the firm after being hired full-time. They earn market-rate interest from this principal, besides their regular salaries.

To spur worker productivity, the interest payments increase when the company performs well, which has occurred for most of its 40 years in business.

But members must invest additional personal funds during any occasional bad year.

The worker-owners also chart the course of their units and occasionally veto the management's plans. A Mondragon satellite-TV cooperative recently voted against a joint venture with a capitalist satellite firm because of differences over the pace of expansion and



also conflicting corporate cultures, Mr. Ginto said.

"We'd like to persuade corporations that the cooperative method is much better. But it's difficult and won't happen overnight," said Juan Maria Palencia, director of a Mondragon plant that makes aluminum gearboxes for Ford and Renault and other components for General Motors, Honda and Rover.

Employees say Mondragon's cooperative style is well-suited to the tightly knit Basque region.

THE Reverend Jose Maria Arizmendiarieta inspired the company's formation in 1956 at the town of Mondragon, while Spain still had a closed economy under the dictatorship of General Francisco Franco.

The first group of 24 workers manufactured badly needed oil stoves and heaters.

The idea caught on, and Mondragon broadened its manufacturing to machine tools, the Fagor brand of home appliances and a roster now boasting 5,000 products.

Industrial exports totaled nearly \$800 million last year, mainly to Germany, France and other European Union nations.

The company created its own savings bank in 1959 to self-finance its growth. The financial unit last year had net bank loans of \$2.7 billion, nearly a third of Mondragon's assets.

The group's long-standing health and pension system is more generous than the Spanish government's and the company never lost sight of the founding

priest's emphasis on training programs for skilled workers and management.

By the 1980s, already the Basque region's largest company, Mondragon began to bet strongly on growth in Spain and abroad to prevent larger competitors from taking over the group's divisions and threatening the core cooperative concept.

Mondragon's plans include a tripling of its foreign factories to 30 by the year 2000. Spurring even more immediate concern is the distribution unit, where new stores are being added to the ranks of 40 Eroski and Maxi supermarkets and their 630 associated hypermarkets and grocery stores.

"Only the economies which internationalize have the capacity to maintain employment in their own country," Mr. Canelo said.

But the rapid demands of growth have fostered a thirst for fresh capital that at times outstrips the cooperative's slower means of furnishing the necessary cash.

In a rare mixed signal this year, Mondragon, one of the last Spanish large enterprises still not publicly traded, made strong moves toward issuing shares on the Madrid Stock Exchange. But it backed off.

One Madrid broker said the problem for potential investors was the lack of the high-profile, profit-taking Eroski as part of the deal. Other parts of the company that were offered did not generate enough enthusiasm, so Mondragon announced it would study the situation.

"These back-and-forth motions are not positive," Mr. Canelo conceded, adding that Mondragon would need

strong assurances of stock market success before trying again.

Mondragon still thrives mainly through reinvesting its own profits back into the company, he said, although the Eroski supermarket group now has outside capitalist partners, including large Spanish banks.

Yet, the company has not forgotten its cooperative roots or the teachings of the priest, who died at the age of 61 in 1979 and is buried in the Mondragon cemetery near the company's headquarters, spread out like a college campus on a hillside.

Mondragon is preparing to offer its capitalist workers a limited chance to become involved in the cooperative approach. By next year, some newer workers may be able to invest in the company and receive interest payments, linking their own productivity and their division's health to greater personal gain.

But they would not immediately become full partners in the decision-making, like the current 20,000 worker-owners in the Basque region.

Mondragon exports many products, but it is still unsure how to successfully export its model of cooperative management.

Aznar Quietly Sets New Economic Path

Continued from Page 19

country are richer per capita than the poorest areas of Andalusia or Extremadura.

Bowing to demands by the Catalan government's conservative leader, Jordi Pujol, Mr. Aznar agreed to give most of Spain's 17 regional governments authority over 30 percent of the income tax collected in their jurisdictions, twice the amount that the Socialist government agreed to yield from the central budget.

But with the Basques, who already have more tax control and autonomy than other regions, Mr. Aznar's lieutenants spent a late-night negotiating session in October, on the eve of the budget debate in Parliament, to seal a secret deal providing still further power to the Basques.

The agreement upset Mr. Pujol, who quickly served notice that he would be asking for more autonomy from Madrid, even while pledging this month to support Mr. Aznar through the entire legislative term because it would "pay dividends."

Other regional governments, including some run by Mr. Aznar's own party, also are up in arms over perceived favoritism toward Catalonia and the Basque country.

The government has been "fragile and weak, ceding everything" in the regional negotiations, charged Joaquin Almunia, the Parliament spokesman for the Socialists, the main opposition party.

Some economists worry that dis-

bursements to the regions will swell the public deficit and prevent Spain from meeting the European Monetary Union requirements for a deficit of 3 percent of gross domestic product. Spain's projected deficit of 4.4 percent this year is projected to drop to 3 percent in 1997.

But Mr. Aznar expresses confidence at every opportunity that Spain will be in the coveted first group of countries to join the single currency for the scheduled 1999 starting date. A key factor will be his 1997 budget, which he describes as Spain's "most rigorous for 20 years."

The budget pegs national growth next year at 3 percent. Public spending would rise by 1.7 percent in 1997, less than the target inflation rate of 2.6 percent, a decline from this year's projected 3.4 percent.

The financial sector has responded positively to the budget. The Bank of Spain lowered the benchmark interest rate to 6.75 percent last month, and the bond markets have steadily closed the gap on the risk premium for Spanish debt, compared to German bonds.

But the 1997 budget also would lower public investment for highways and other infrastructure projects and would freeze wages for two million civil servants. The two largest labor unions responded with protests and threats of strikes, in a nation with nearly 22 percent unemployment. Last month, the unions signed a pact with Mr. Aznar for a guarantee that pensions would be paid.

On other issues, Mr. Aznar's government has drawn plenty of fire, par-

ticularly for its refusal to declassify secret government papers that might shed light on the "dirty war" scandal of the 1980s, when, it is charged, the Socialist government directed death squads that killed 27 suspected members of the Basque separatist group ETA.

As opposition leader, Mr. Aznar used the scandal tirelessly to weaken Prime Minister Gonzalez, who denied any links to the death squads, although 13 former police officers and government officials have been charged or tried in the case.

Mr. Aznar's government said that declassifying the documents could compromise Spain's national security and the state's ability to work with the intelligence services of allied nations.

The new government also has been accused of relying too heavily on "trial balloons" to test reaction to policy initiatives. The government has backtracked on various occasions, such as the proposed official secrets act. Critics called it too restrictive and it is now under reconsideration. The administration withdrew its plan to charge the equivalent of 80 cents for each pharmacy prescription after complaints from sectors accustomed to a generous social welfare system.

Yet, the plan to complete privatization of numerous state-run companies has been moving ahead as expected. These include the telecommunications giant Telefonica, the electrical utility Endesa and the oil and chemical product Repsol.

AL GOODMAN contributes to The New York Times from Spain.



Palace Hotel, Madrid, November 26 & 27, 1996

The International Herald Tribune wishes to thank the speakers and sponsors who have contributed to the success of the Spain Summit.

THE SPEAKERS

- | | |
|--|---|
| ■ D. José María Aznar, Prime Minister | ■ D. José Manuel González-Páramo, Board Member, Banco de España |
| ■ D. José Folgado, Secretary for the Budget | ■ D. Gaspar Ariño, Professor of Administrative Law |
| ■ D. José María Cuevas, President, Confederation of Employers and Industries of Spain, Vice President, UNICE | ■ D. Javier Arenas, Minister of Labor and Social Affairs |
| ■ D. José Luis Feito, Spanish Ambassador to the OECD | ■ D. Juan Jiménez Aguilar, Vice President, Confederation of Employers and Industries of Spain |
| ■ D. Francisco González, Chairman, Argentaria | ■ D. Julio Segura, Board Member, Banco de España |
| ■ D. Manuel Pizarro, President, Ibercaja | ■ D. Salvador García Atance, President, AB Asesores |
| ■ D. Jordi Pujol, President of Catalonia | ■ D. Juan Costa, Secretary for Taxation |
| ■ Peter Sutherland, Chairman, Goldman Sachs International, former Director General, GATT | ■ D. Juan José Ibarretxe, Vice President of the Basque Government |
| ■ D. Pablo Isla, Director General of the States Assets | ■ D. Jaime García Añoveros, former Finance Minister |
| ■ D. Juan Fernández Armesto, President of the Spanish Securities and Exchange Commission | ■ D. Abel Matutes, Minister of Foreign Affairs |
| ■ D. Alberto Recarte, Cónsul de Empresarios | ■ D. Eduardo Serra, Minister of Defense |
| ■ D. José María Michavila, Secretary of State for Parliamentary Relations | ■ D. Rodrigo Rato, Vice President of the Government and Minister of Economy & Finance |

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THE WORLD'S DAILY NEWSPAPER

SPAIN / A SPECIAL REPORT

The Jobless Rate: How Bad Is It?

By Ana Westley

MADRID — If all the people looking for work in Spain were to stand single file, the line would stretch lengthwise from Gibraltar to Stockholm, spanning 3,000 kilometers, or 1,700 miles.

Every time unemployment figures are released, the Spanish press is fond of pointing out that even "solid and stable" economic recovery, as is now predicted by the Bank of Spain, will be able to shorten this imaginary line of almost 3.5 million people, or 21.87 percent of the workforce, only by a few kilometers.

Indeed, economic growth of between 2 percent and 3 percent over the last three years has not been able to create significant employment to absorb the long time of unemployment.

According to the most recent optimistic predictions both in Spain and within the European Commission, Spain has a good chance of joining the Monetary Union

in 1999 on schedule by meeting strict Maastricht convergence criteria in inflation, deficit reduction, public debt, currency exchange rates and interest rates.

Yet, even if Spain makes it with the front-runners in convergence, it will be dragging along the highest surveyed rate of unemployment in Europe, more than double the average of the European Union.

Unemployment for women and young people — 29.9 percent and 35.24 percent respectively — also doubles the average rates for European Union countries.

The paradox plaguing all Spanish governments since the transition to democracy in 1977 is that economic growth and favorable macroeconomic indicators have not been able to create enough employment to bring Spain to a level nearing the European average, which is itself almost double the unemployment figure in the United States.

The jobless line lengthens in periods of recession and fails to shorten significantly during periods of growth.

Government, labor and

management agree that the country's endemic unemployment can be attributed to historical, demographic and sociological factors unique to Spain.

Officials and labor sources point out that the oil crisis of the 1970s plunged Spain's heavy industries, which had propelled the rapid industrialization and development of the 1960s, into a severe recession. This was a dismal situation to be inherited by the first centrist government of the democratic transition.

To make matters worse,

the restructuring of Spanish industry in the early 1980s coincided with the coming of age of Spain's baby boom, the generation born in the late 1960s, a decade later than the baby boom in northern European countries, and with the incorporation of women into the labor force.

As restructuring gave way to economic growth in the latter part of the 1980s, unemployment still grew alarmingly. "The 1980s were incapable of absorbing all these young people and women looking for work," said

Remando Moreno, director of

the Department of Labor Relations of the Confederation of Spanish Business Organizations.

Nevertheless, officials and analysts recognize that the staggering unemployment figures may not accurately reflect the real situation or are caused by cultural factors.

"If unemployment were really over 20 percent you would expect much more social unrest," remarked Amando de Miguel, a University of Madrid sociology professor and pollster.

Professor de Miguel cited job retraining courses offered at the university to registered unemployed. The excuse most often given by more than half the students who skip classes "is that they are working," he said. "And these are classes only for the officially unemployed."

Pedro Diaz Chavero, a labor spokesman at the General Union of Workers (UGT), says that, despite high unemployment there is less social unrest in Spain and fewer visible homeless than in other European countries due to the close Spanish family structure, which takes in its unemployed.

He noted that due to the high index of jobless youth, the average age of "emancipation" in Spain is 28. "Grown children can't leave home either because they have no work, or they are helping to support their mother and laid-off father," he said.

Not surprisingly, Spain

vies with Italy for the lowest

birth rate in Europe, as mar-

riages and children are



Young people in Spain seem to be enjoying themselves although official figures show a high unemployment rate.

delayed 10 years or more.

Others argue that unemployment in Spain would be even higher if the same percentage of women decided to look for work as in other European Union countries.

Less than a third of the Spanish female workforce is employed, the lowest rate in Europe, according to Eurostat. European Commission studies. Spanish female unemployment, at 28.8 percent in Eurostat studies, is the

highest in the European Union, nearly doubling that of Ireland, the country with the second highest rate of female unemployment at 16 percent.

Mr. Moreno, of the Employers' Confederation, notes that the volume of underground economy is unknown and cannot be estimated.

Professor de Miguel believes "it is impossible to know the real structure of the labor market" but points to other evidence. "Just take a

look around downtown in any Spanish city on a Friday or Saturday evening," he said. "You'll see thousands of young people over 21 — 45 percent of whom will say they are unemployed and living at home yet they are spending money on drinks, clothes, movies and entertainment, not to mention gas or parking for their cars and motorcycles. Where does the money come from? Their parents?"

Professor de Miguel be-

lieves Spaniards don't con-

sider temporary jobs, or jobs

not in the field in which one is

trained, as real jobs. They will

claim that they are unem-

ployed if they do not have a

contract in their chosen pro-

fession.

"Besides," he added, "if

there really is no work in

Spain, why are there so many

immigrants? Why do Por-

tuguese workers come to

Spain when unemployment

there is in single digits?"

All Sides Back Euro Club

Continued from Page 19

Pedro Schwartz, the head of a Telefonica-backed think tank, Fundesco, and one of the few critics of the government's single-currency ambitions, credits Europe for much of the change.

"This is a very different country from 1980," Mr. Schwartz said. "The whole idea of having national policies is gone."

The challenge for Spain today is to retain as many of its membership advantages as the Union prepares to undergo a wrenching series of financial and constitutional changes leading to its expansion into Eastern Europe.

The single currency plays the key role because membership in the euro club is perceived as the only guarantee of unfettered access to the EU market and influence over European economic and monetary policies.

The government's ambitious 1997 budget, which aims to cut spending and increase taxes by 1.2 trillion pesetas, has led handicappers in the financial markets to shorten the odds that Spain will actually enter in 1999.

"The chances of them being in are at least 50 percent," said Carmen Nuzzo, an analyst at Salomon Brothers in London. The firm forecasts Spain's deficit will fall to 3.2 percent of GDP and inflation will drop below 3 percent, close enough to the Maastricht targets to give Spain a fighting chance, especially if other presumed single-currency members like France miss the targets.

Already Spain has benefited as long-term interest rates have tumbled to around 7.25 percent, and the risk premium the government pays relative to German debt has fallen by more than half, to about 1.40 percentage points.

Some analysts worry, however, that entry in 1999 will only worsen unemployment, now at an EU high of more than 21 percent, by locking Spain into an overvalued exchange rate.

Mr. Schwartz believes the government should seek to abolish some of the regulations of the labor market, such as extensive severance requirements, that many economists

believe are stifling job creation.

"I'm skeptical that Spain's labor rigidities can be solved quickly by getting into monetary union," Mr. Schwartz said. "It took Britain 12 years and a lot of pain to do that."

Spain's other European priority centers around the imminent reforms of the Union to enable the bloc to take in as many as a dozen new members in Eastern and Southern Europe.

Here, the bottom line for Madrid is simple: Resist cuts in the Union's structural funds and agricultural subsidies, and defend the country's voting weight as the only medium-sized member behind Germany, France, Britain and Italy.

That strategy requires a pragmatic approach and considerable diplomatic agility.

On money issues, for example, the Aznar government has bluntly rejected Italian proposals for a common Mediterranean position and aligned itself with German demands for strict adherence to the single-currency criteria.

But the government has led opposition to a French-German proposal for a new flexibility clause in the Union's governing treaty, seeing it as a potential threat to the common EU farm and development programs that Spain relies on.

On enlargement itself, the Gonzalez government changed tack when it held the EU presidency in the second half of 1995, endorsing the inevitability of Eastern membership and seeking to influence expansion to Spain's benefit. Madrid will accept early enlargement as long as there are long transition periods before the East can compete openly for EU development and farm aid.

Spain also sees a natural strategic affinity with Poland, another medium-size nation with a population almost identical to Spain's 39 million.

"There are no allies in the community," Mr. Elorza says. "You have only an identity of interests."

TOM BUEKLE is on the staff of the International Herald Tribune.

New Museum for an Old City

Continued from Page 19

cutting the 25 percent unemployment rate among the local population of 1.2 million.

But numerous skeptics, including some Basque artists who feel they have been slighted, question the Guggenheim's grand scale and price. They doubt it will attract the projected half-million visitors annually from Spain and across Europe to see rotating exhibits from the Guggenheim's collection of artists like Warhol, Klee, Lichtenstein, Rauschenberg, Rothko or de Kooning.

THE Prado, in Madrid, had 1.6 million visitors last year, and the Picasso Museum in Barcelona drew 778,000.

Various Basques say that, despite the fine local cuisine, visitors may find Bilbao less exciting than the two largest Spanish cities.

Bilbao's Museum of Fine Arts drew just 128,000 visitors in 1995, and it has free admission. The Guggenheim will charge 700 pesetas (\$5.50).

"I'm very worried with the future of the maintenance of the Guggenheim," said Patricia de la Sota, president of the Bilbao Chamber of Commerce. "I think it's going to be very expensive. All of the Basques will have to pay for that."

The museum expects an \$8 million operating deficit annually. The Basque governments have agreed to pay for that, too, and some artists complain that the funds should be used instead to promote Basque culture.

The operating deficit could even go higher, warned Juan

Francisco Santacoluma, deputy rector of the University of Deusto, directly across the Nervion Estuary from the Guggenheim. But he added, "If the museum helps the economy and the Bilbao area to achieve more employment and a fresh outlook, it will be cheap. If not, it will have been extremely costly."

Museum officials have not set a precise date for the inauguration, although the target is late June of next year.

Nor have they revealed the inaugural lineup of art, except to say that the initial exhibit will be "masterpieces of the Guggenheim collection." The museum would also like to get a temporary loan of Picasso's emblematic "Guernica," which depicts the Nazi bombing of that Basque town in 1937 during the Spanish Civil War.

Yet, the very idea quickly sparked controversy. Bernard Picasso said that his grandfather's large, fragile canvas should not be moved again. The painting hung for years in New York before going to the Prado after the death of General Francisco Franco, and then moving to the Reina Sofia modern art museum in Madrid in 1992.

Mr. Vidarte, the project director, said the Guggenheim has a chance to obtain "Guernica." But he added that the museum's program for the inauguration is based on "the works we control, not in the works we do not control."

The Guggenheim Foundation in New York will have a large hand in shaping the exhibitions in Bilbao. While making its entire collection available, New York also will propose the schedule and content of exhibits. The Bil-

bao museum's board, including New York Guggenheim representatives, would then be asked for approval, Mr. Vidarte said.

The museum also plans to host other traveling exhibitions and a proposed locally owned collection, which has yet to acquire an artwork.

IN THE original Guggenheim, on Fifth Avenue in New York, and the subsequent branch on Broadway in Soho, only about 4 percent of the 10,000-work collection can be displayed.

The Peggy Guggenheim Collection in Venice, in an 18th-century palazzo on the Grand Canal, offers a little extra room. But the rest is in storage, and Bilbao will permit an additional 5 percent of the collection to be shown, Mr. Vidarte said.

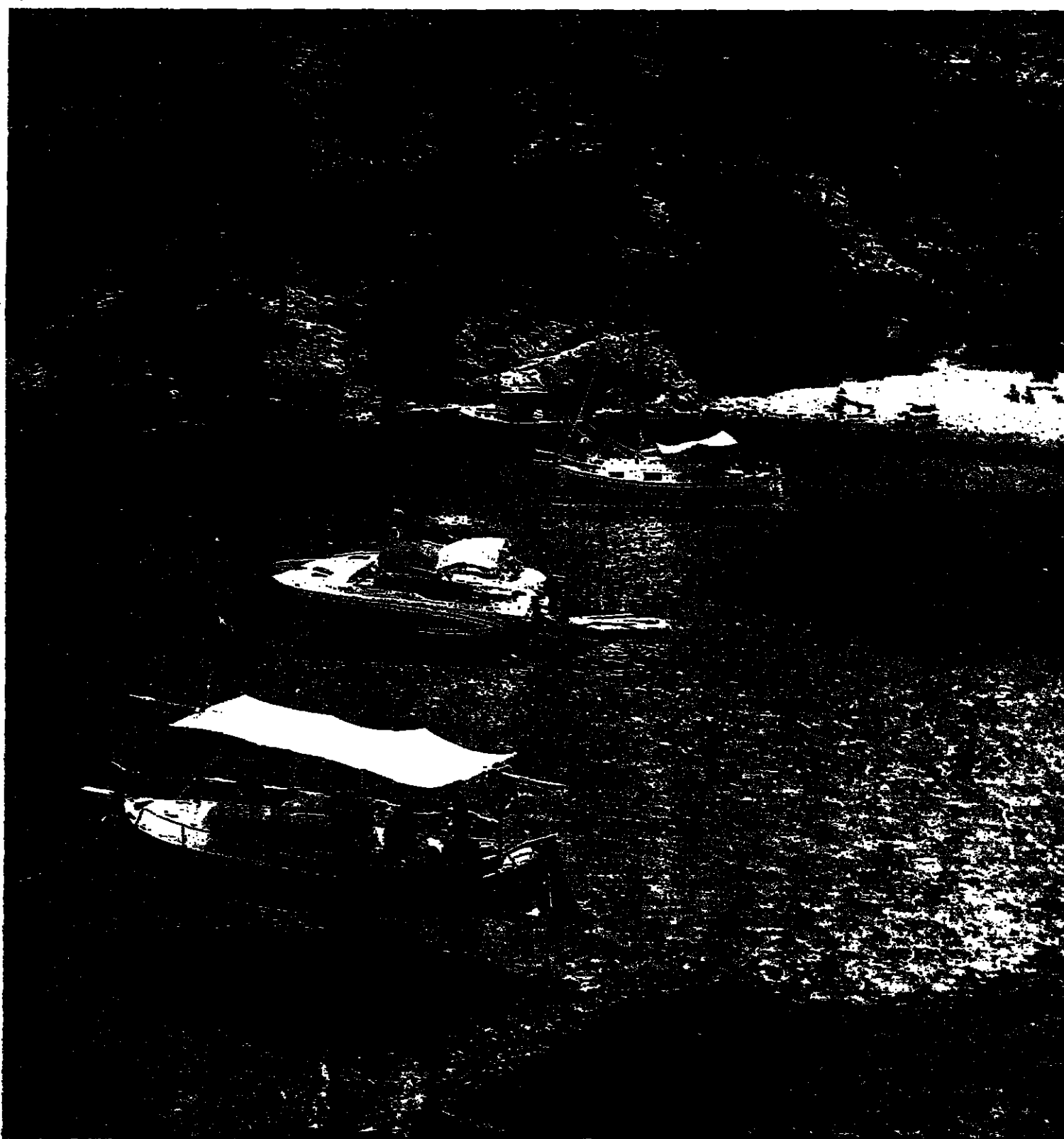
The setting will be a museum consisting of interconnected curving and rectangular structures. The largest gallery is 130 meters (416 feet) by 25 meters and snakes under a six-lane bridge.

The building's focal point is the 50-meter-tall atrium, with windows facing the river, giving access to the 19 galleries on three levels.

The undulating titanium roof covers the museum's most modern sections, which some observers liken to ships, as if the architect wanted to remind Bilbao of its sea past.

The Guggenheim could well succeed if its public-private management structure, a rarity in Spain, aggressively attracts visitors to the museum, said Enrique Portocarrero, director of the Basque Employers Circle.

Al Goodman



SPAIN SAIL

FOR THOSE WHO HARBOUR A PASSION FOR DROPPING ANCHOR IN LIFE'S CLEAR WATERS

Little wonder the sailors of the world regularly set course for the beauty of Spain's Balearic Islands. It doesn't take a Columbus to discover its hidden treasures. Quier beaches, a full plass and the fruits of the sea are never further than an anchor chain away.



In Paris For Business

A NEW ENTREPRENEURIAL and international spirit is blowing away the cobwebs of tradition in Paris. Once content to be the capital of France and of a colonial empire, it now aspires to be the center, if not the capital, of a powerful, unified Europe. This new vigor expresses itself in dozens of ways, among them the expansive mergers and acquisitions of many French companies and the emergence of a new generation of entrepreneurs and chief executives who think in European and global terms.

At a Glance

The Seine flows simultaneously through Paris, dividing it into left and right banks. On the Rive Gauche – the Left Bank – are the Latin Quarter, the Sorbonne University, the National Assembly and Senate, government ministries, wide boulevards, a maze of narrow, winding streets and the Eiffel Tower.

The Rive Droite – the Right Bank – is dominated by the Avenue des Champs-Élysées, with the Place de la Concorde at one end and the Arc de Triomphe at the other.

Paris is divided into 20 *arrondissements*, or administrative districts.

Getting Around

Paris has one of the best rapid-transit systems in Europe, perhaps in the world. At any Métro station you can buy *carnets* of 10 tickets valid within the Paris area on subway and RER (the suburban system) trains and on buses. Maps of routes are free.

Taxis are hard to find in rush hours. Tip about 10 percent of the fare shown on the meter. Most drivers will take only three passengers.

In a Word

While most French people are almost inordinately proud of their mother tongue, a surprising number now speak English or are making an effort to learn it.

Wining & Dining

You can eat a bad meal in Paris. You can also eat an overpriced meal. But you'll have to be exceptionally unlucky to suffer both flaws at the same time. For all the places listed below, a reservation is necessary – at some, essential.

Do not tip in bars and restaurants unless you are really impressed. Then leave some small change. The check always includes a 15 percent service charge, noted as *service compris*.

Alain Ducasse, 59, avenue Raymond Poincaré, 16th. Tel.: 01 47 27 12 27. Michelin three-star chef Alain Ducasse has taken over retired master Joël Robuchon's Paris restaurant and is maintaining the same high standards he became known for at the Louis XV in Monte Carlo.

L'Ambroisie, 9, place des Vosges, 4th. Tel.: 01 42 78 51 45. Sumptuous decor and food on the beautiful Place des Vosges. Noted for fish and seafood.

Benoît, 20, rue St. Martin, 3rd. Tel.: 01 42 72 25 76. This pretty, traditional bistro dates back to the early years of the century. One food critic called it the Rolls-Royce of bistros. Foie gras and cassoulet are specialties.

Bofinger, 5, rue de la Bastille, 4th. Tel.: 01 42 72 87 82. The oldest brasserie in Paris, with marvelous Belle Époque decor. Near the new Opera House. Noted for its shellfish.

La Cantine des Gourmets, 113, av. de la Bourdonnais, 7th. Tel.: 01 47 05 47 96. A quiet, elegant restaurant. The kitchen stresses fish and herbs, but there's much else to tempt.

Chiberta, 3, rue Arsène-Houssaye, 8th. Tel.: 01 45 63 77 90. Elegant, modern decor; pleasant, smiling service; menu emphasizes southwestern Basque dishes. Specialties include ravioli dishes, beautifully prepared cod and calf's kidneys.

Le Divellec, 107, rue de l'Université, 7th. Tel.: 01 45 51 91 96. You can hardly open a Parisian newspaper without reading of the high and mighty dining here. All are concentrating on the fish – brill with champagne sauce, scallops and several dozen other marine offerings. Lunch prices double in the evening.

Fouquet's, 99, av. des Champs-Élysées, 8th. Tel.: 01 47 23 70 60. Right on the corner of the Champs-Élysées and the Avenue George V, Fouquet's is a landmark.

Winston Churchill ate here. Le Grand Véfour, 17, rue de Beaujolais, 1st. Tel.: 01 42 96 56 27. Some people swear that this is the best restaurant in Paris; others

ever. Eating fashion has swung to lunchtime.

Le Petit Montmorency, 26, rue Jean-Mermoz, 8th. Tel.: 01 42 25 11 19. A favorite with international business executives, who appreciate its quiet atmosphere, personalized service and excellent fare. There's a "gourmet in a hurry" menu at lunchtime.

Pharamond, 24, rue de la Grande-Truanderie, 1st. Tel.: 01 42 33 06 72. This restaurant is some 135 years old. It retains its colored tiles and woodwork and serves, among other succulent dishes, tripe with a touch of Calvados. It's a piece of Normandy in the old "belly" of Paris.

La Rotisserie du Beaujolais, 19, quai de la Tourneille, 5th. Tel.: 01 43 54 17 47. Claude Terrail has opened this Lyon-style bistro near his famed Tour d'Argent. It has many of the dishes associated with France's second city, notably hot *saucisson*, *cog au vin* de Beaujolais and excellent salads.

La Sologne, 164, av. Daumesnil, 12th. Tel.: 01 43 07 68 97. Specializes in game: birds, hares, rabbits and wild boar. Sauces are subtle.

Taillevent, 15, rue



argue that it is overpriced and overrated. We think it lies somewhere between those extremes. It has the charm for special occasions and a lavish 18th-century decor.

Guy Savoy, 18, rue Troyon, 17th. Tel.: 01 43 80 40 61. Now one of the most renowned restaurants in the city. Foie gras, oysters in aspic, Bresse chicken or grilled pigeon prepare the way for a paradise of desserts.

Jules Verne, second floor, Eiffel Tower, 7th. Tel.: 01 45 55 61 44. Reserve well ahead of time: This restaurant has a deserved reputation for excellence and one of the best views of Paris.

Lasserre, 17, avenue Franklin D. Roosevelt, 8th. Tel.: 01 43 59 53 43. Stars of the theater, screen and politics favor Lasserre, where people strut while sitting down. More serious customers are also there for the food, for which there's only one word: *magnifique!*

Laurent, 41, avenue Gabriel, 8th. Tel.: 01 42 25 00 39. This famous restaurant is set in a garden. The cuisine is of the highest classical standards.

Lucas-Carton, 9, place de la Madeleine, 8th. Tel.: 01 42 65 22 90. Lucas-Carton perpetuates French gastronomic traditions even though it is now Japanese-owned. The wine cellar is exceptional – but check the prices first.

Maison Blanche, 15, avenue Montaigne, 8th. Tel.: 01 47 23 55 99. The clientele is fashionable and the decor modern. The cooking brings out the flavors of southwestern France and Provence.

Maxim's, 3, rue Royale, 8th. Tel.: 01 42 65 27 94. This famous eatery has had its ups and downs recently. The decor is as good as

Lamennais, 8th. Tel.: 01 44 95 15 01. Don't look for mere cooking here, look for culinary art. You had better reserve before leaving home, for the widely spaced tables are nearly always full. Louis XVI furnishings add elegance to this 19th-century mansion.

La Tour d'Argent, 15, quai de la Tourneille, 5th. Tel.: 01 43 54 23 31. Claude Terrail runs this famous establishment high over the Seine with friendliness and good humor. Duck is the celebrated specialty. Waiters are friendly and patient.

Le Train Bleu, Gare de Lyon (first floor), 20, bd. Diderot, 12th. Tel.: 01 43 43 09 06. The Belle Époque decor is dazzling. The restaurant was designed for the Paris Exposition of 1901. The food? Ah, the food! Yes.

Calling Around

Country code: 33. City code: 1 from abroad; 01 from inside France. Telecoms are good. All phone numbers now have 10 digits, with the first two acting as an area code. A *Télécarte*, sold at tobacco shops and post offices, is necessary for calling from public phone booths.

- Ambulance: 15.
- Fire: 18.
- Police: 17.
- American Hospital: 01 46 41 25 25.
- SOS Dentist: 01 43 37 51 00.
- SOS Doctor: 01 47 07 77 77.
- Taxis Bleus: 01 49 36 10 10.

Excerpted from the "International Herald Tribune Guide to Europe" (third edition, NTC Publishing) by Alan Tiller and Roger Beardwood.

ITT Sheraton Cures the Airport Blues

IN THE PAST, FEW PEOPLE would have dreamed of staying at an airport hotel just for the pleasure of it, but all that has changed since the new Sheraton Paris Airport Hotel Charles de Gaulle opened last February.

What makes this airport hotel different from all other airport hotels? First, it is located right in Terminal 2 of Roissy-Paris Charles de Gaulle Airport, sparing harried travelers the trouble of finding transport to the hotel. For those making train or subway connections, the stations are located just one level below the hotel.

Of course, the 256 rooms and suites of the hotel offer all the comforts and luxuries ITT Sheraton is known for the world over. A full range of facilities is available for traveling businesspeople, including a newly opened state-of-the-art Conference Center with no less than 27 rooms accommodating from eight to 60

people. Each room is equipped with special ergonomic chairs that make long meetings a breeze to sit through. The rooms also have audiovisual systems for videoconferencing, overhead projectors, screens and conference boards. The hotel also has a fully equipped business center.

For relaxation and restoration, the hotel offers a fitness center with separate saunas for men and women, one 100-seat restaurant and two smaller ones, one of which specializes in gourmet dining.

What makes this hotel really special, however, is the truly exceptional range of services, including butler service on the executive floors, lounges for all guests, massage chairs to soothe away fatigue and aches and pains, and overnight laundry service that provides guests with spanking-clean, sharply pressed garments first thing in the

morning, a real boon for those traveling on business.

A special package of services, called the ITT Sheraton Airport Hotels Program, is specifically designed to cure the travel blues. The Day Break Service allows guests who are in between flights to book a room for just a few hours to catch a nap or enjoy a relaxing bath before jetting off to the next destination. No more agonizing waits in uncomfortable airport lounges or overspending in duty-free shops during airport downtime.

ITT Sheraton's Transit Survival Kit eliminates the need to rummage through suitcases or go without necessary toilet articles during stopovers. It includes a toothbrush, T-shirt, face cream, razor, deodorant, mouthwash, slippers, comb and brush, and other useful items. The four-hour laundry and pressing service is

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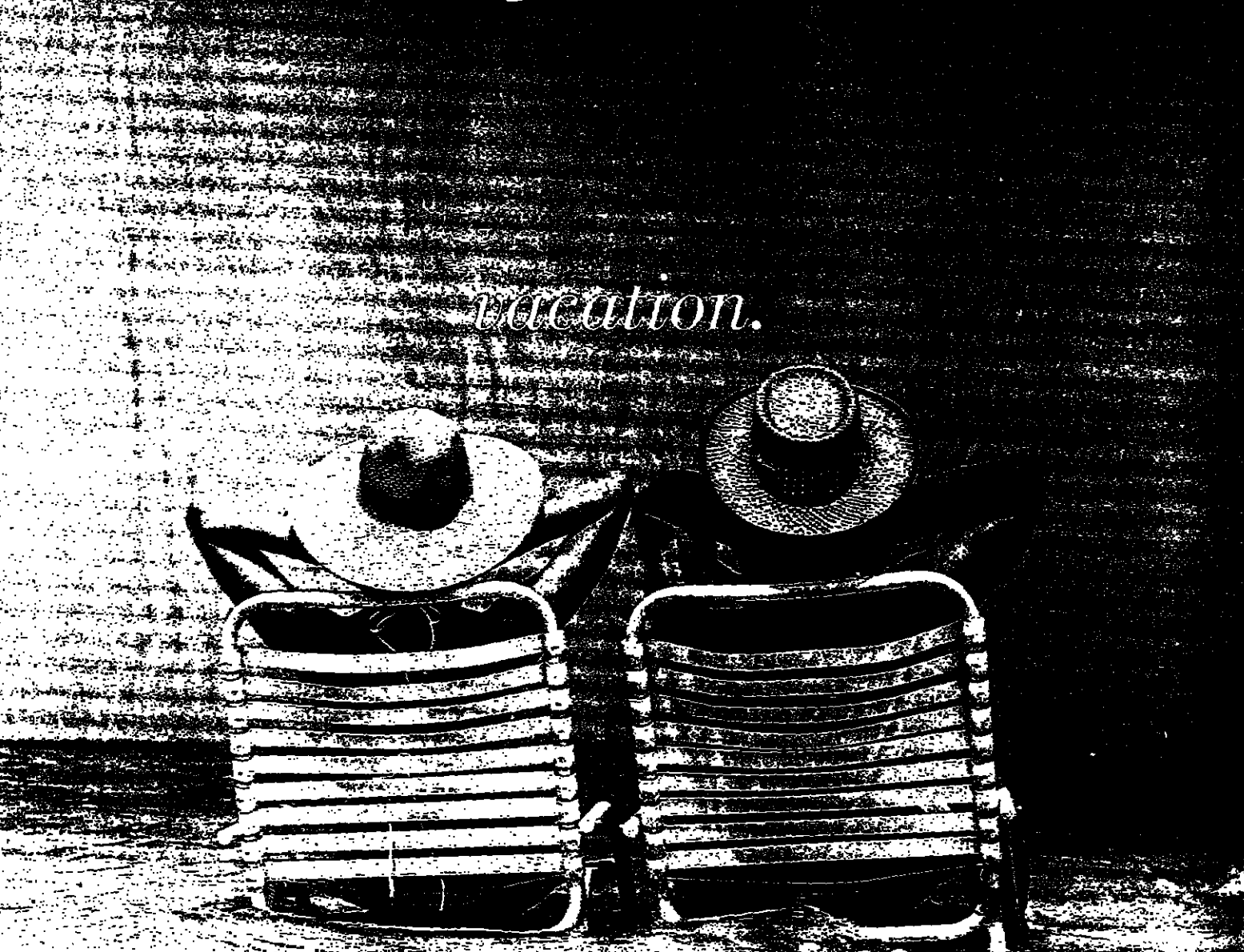
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available day and night. Other services include complimentary hotel-airport transfers, reconfirmation of flights, coffee and tea machines, coffee at the reception desk for those checking out early, and luggage storage. Perhaps the most innovative service is the Body Clock Cuisine: dishes that are specially designed to help travelers adjust to new time zones and overcome flight fatigue.

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Table with multiple columns listing various international funds, including names, currencies, and other details.

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The data (the Data) in the list above (the List) is the name supplied by the fund group (the Fund Group) listed therein. The data is delivered by each Fund Group to the International Fund Group (the IFG) and then transmitted by the IFG to the International Fund Group (the IFG). The data is not and shall not be deemed to be an offer by the IFG or the IFG to sell securities or investments of any kind. Investments may fall as well as rise. Past performance does not guarantee future success. It is advisable to seek advice from a qualified independent adviser before investing.



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WORLD ROUNDUP**Norman Taking a Break**

GOLF Greg Norman, who won the Australian Open on Sunday, plans to take a three-month break in an attempt to overcome a back injury. "I've been recommended by my doctor to take some time off," Norman said Monday.

Norman, 41, who will play this week in his Greg Norman Holden Classic in Melbourne, said the problem stemmed from a hereditary spinal condition, an old injury and the rigors of professional golf. (AP)

Holy Cross Athletes Bet

COLLEGE Two athletes at Holy Cross, basketball forward Jonathan Kerr and football running back J.R. Walz, said they were each suspended for two games after telling school officials that they had bet on sports. "I violated a rule, I got suspended," Kerr said. "Gambling is rampant through our society. That doesn't excuse me."

A university spokeswoman, Katharine Buckley McNamara, said neither player bet on games involving the school. (AP)

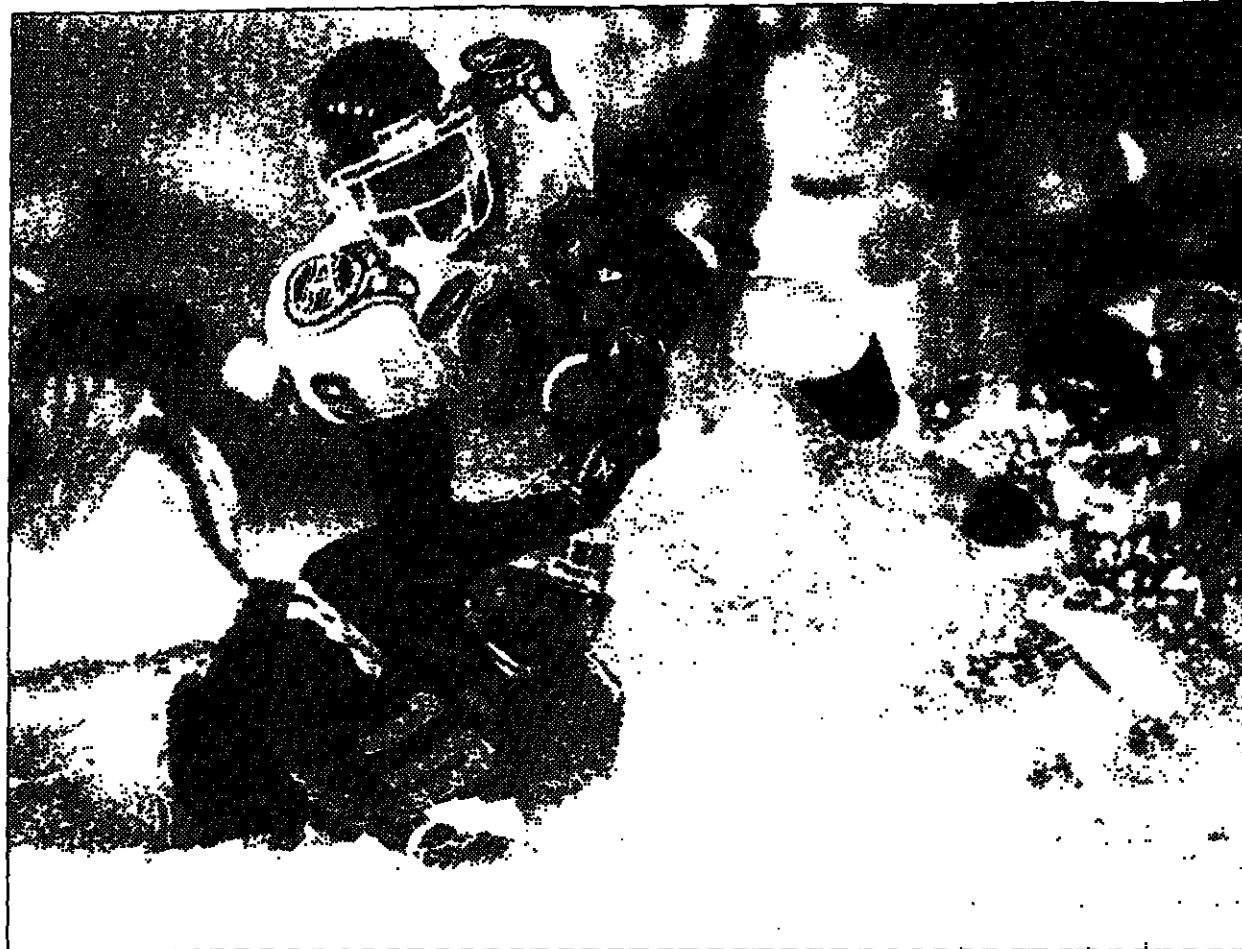
West Indies Chase 420

CRICKET Australia set the West Indies a target of 420 runs Monday to win the first test in Brisbane. After the home team declared its second innings closed at 217 runs for six wickets, spin bowler Shane Warne dismissed Robert Samuel for 29. That was the only West Indian wicket to fall and the tourists reached the close on 89 for one with Brian Lara not out on 29 and one day to play. (Reuters)

South Africa's cricket chief Ali Bacher has asked for the referee's report on the first test against India. Coach Bob Woolmer had said South Africa was "stuffed" before because of wickets and practice facilities of a type they did not want. The match in Ahmedabad ended in an Indian victory after South Africa was bowled out for 105 in its second innings. (Reuters)



West Indies bowler Curtly Ambrose pointing Ian Healy to the pavilion, but Healy was not out.



THREE YARDS AND A CLOUD OF SNOW — Robert Drummond of the Toronto Argonauts being tackled by Malcolm Frank of the Edmonton Eskimos during the Grey Cup Final, the Canadian Football League championship game, in Hamilton, Ontario. Toronto won, 43-37. Doug Flutie, the Toronto quarterback, was the game's most valuable player. The temperature at game time was 14 degrees Fahrenheit.

O'Neal's Foul Line Failure Sinks Lakers

The Associated Press
Shaquille O'Neal moved across the United States to play for a new team, the Los Angeles Lakers, but he still can't make an uncontested 15-footer.

O'Neal, formerly of the Orlando Magic, missed all four of his free-throw attempts in the final 1:13 Sunday night, allowing the Houston Rockets to avenge their only loss this season with a 90-85 victory over the Lakers.

Charles Barkley's 3-pointer with 55.6 seconds remaining gave Houston its first lead of the second half, and the Rockets (12-1) went on to their sixth straight victory.

The Rockets' only loss was a 126-115 defeat by the Lakers in double overtime Nov. 12 in Houston.

"I have to take the blame," said O'Neal, who went 3-for-11 from the line. "I'll just have to come out and try harder. I had a chance to personally pick up this team. I didn't do it."

O'Neal, a poor free-throw shooter throughout his career, is just 54-of-118 this season, or 45.8 percent.

Barkley's 3-pointer put the Rockets on top, 86-85. He made 1-of-2 free throws with 18.9 seconds left to give Houston a two-point lead.

Jerome Kersey, a Los Angeles reserve, missed a forced 10-foot (3-meter) running shot with about six seconds left, and Kevin Willis made a 3-point play for Houston with 1.1 seconds to go, to complete the scoring.

"The game should never have been that close," said Barkley. "They let us hang around. You have a 9-point lead at home, you should win the game."

SuperSonics 102, Knicks 92 In New York, the Sonics encountered little resistance in winning their 11th straight game.

Shawn Kemp scored 22 points. Detlef Schrempf had 17, and Gary Payton had 16 points and 11 assists as Seattle placed five players in double figures.

John Starks, Allan Houston and Chris Childs led New York with 13 points each. Patrick Ewing shot just 2-for-15 and scored eight points, only the 32nd time in his career that he has failed to score in double figures.

Heat 87, Suns 84 Alonzo Mourning scored 20 points and Dan Majerle made a crucial 3-pointer with 7.6 seconds left as visiting Miami kept Phoenix winless.

Even the return of Kevin Johnson to the lineup couldn't save the Suns from tying franchise records with their 12th consecutive loss and sixth straight defeat at home.

Johnson, who had 15 points in 39 minutes, missed a potential game-tying 3-pointer at the buzzer.

Grizzlies 96, Spurs 91 In Vancouver, British Columbia, rookie Shaquille O'Neal came off the bench to net 18 points, nine rebounds and nine assists as Vancouver got its second victory this season.

Abdur-Rahim, 19, who left the University of California after his freshman season, made two free throws with 50.3 seconds remaining to put Vancouver

ahead, 92-90, and then iced the victory with two more foul shots after being intentionally fouled with 9.7 seconds left.

Anthony Peeler added 17 points and Bryant Reeves contributed 15 points and eight rebounds for Vancouver, which snapped a four-game losing streak.

San Antonio, still without its injured center David Robinson, lost its fifth straight. Dominique Wilkins led the Spurs with 26 points and 10 rebounds.

Celtics 105, Mavericks 91 Dana Barros scored 21 points as Boston won for the third time this season.

Dino Radja had 19 points and 11 rebounds for the Celtics. Chris Gatling led Dallas with 23 points and 11 rebounds, and Jim Jackson also had 23 for the visiting Mavericks.

Boston led by as many as 23 points with 29 seconds left in the third quarter before the Mavericks' 28-11 run cut the deficit to 95-89 when Jason Kidd forced a turnover and Jackson converted the layup with 1:20 left. But Rick Fox made a layup at the other end and the Celtics made just enough free throws down the stretch to win.

In a game reported in later editions Monday:

Cavaliers 103, Kings 74 In Cleveland, Terrell Brandon scored 21 points to lead the Cavs to their seventh victory in nine games.

The Cavaliers lead the league in fewest points allowed and are holding opponents to 39.8 field goal shooting for the season. They held Los Angeles to 35 percent shooting.

**Cardinals Top Eagles
In a Late Shoot-Out
Giants Wallop Fumbling Cowboys
And Punchless Packers Beat Rams**

The Associated Press

The Arizona Cardinals and the Philadelphia Eagles shared 31 points in the last three minutes. The Cardinals scored last and ended up winning, 36-30, at home.

Boomer Esiason, the hottest quarterback in the National Football League, threw a 24-yard touchdown pass to Marcus Dowdell with 14 seconds left. He completed 24 of 43 passes for 367 yards and three touchdowns — all in the third quarter.

Arizona went into the final 15 minutes with a 16-13 lead and increased it to 22-13. The Eagles pulled back to 22-20 but Esiason struck again with a 2-yard touchdown pass to Larry Centers that made the score 29-20 with 2

The first overtime victory in Jacksonville's two-year existence gave the Jaguars five victories in a season for the first time. It was also their first road victory since October 1995, when they beat the Cleveland Browns — who are now the Ravens.

The Jaguars beat the Browns twice last year and swept the Ravens this season. They're 4-0 against the Browns and Ravens and 5-1 against the rest of the NFL.

In games reported in later editions Monday:

49ers 19, Redskins 16 Jeff Wilkins's fourth field goal, 3:24 into overtime, capped an impressive return by Steve Young as San Francisco won in Washington.

Young, playing his first game since he suffered two concussions over a three-week span, completed 33 of 41 passes for 295 yards and rushed for 25. At one point, he completed 20 consecutive passes.

Panthers 31, Oilers 6 The Carolina defense shut down fading Houston as Steve Beuerlein hit Willie Green with two touchdown passes. The victory kept the second-year Panthers in strong position for a playoff spot.

The Panthers, who have allowed 23 fourth-quarter points this season, held the Oilers under 100 yards until late in the third quarter.

Chargers 28, Chiefs 14 In Kansas City, Stan Humphries, picking on top defensive back Dale Carter, led San Diego to a 28-0 lead as the Chargers romped over the Chiefs.

The Chiefs, who had given up a league-low average of 52.6 rushing yards and 12 points while winning their previous three games, were gouged for 350 total yards in the first three periods.

Bengals 41, Falcons 21 Jeff Blake threw two of his four touchdown passes in a 17-point first quarter as Cincinnati beat Atlanta.

Bills 35, Jets 10 Jim Kelly and Thurman Thomas put in less than a day's work but Buffalo had no problem putting away visiting New York.

The two veteran stars sustained first-half injuries, but Kelly stuck around long enough to throw three touchdown passes in Buffalo's fourth straight victory.

Bears 31, Lions 14 Dave Krieg revived Chicago's sluggish offense, throwing for three touchdowns as the host Bears beat Detroit, spoiling two more rushing milestones for Barry Sanders.

He became the first player in NFL history to rush for 1,000 yards in eight successive seasons.

Bucs 31, Saints 7 Tampa Bay won its third straight game, beating New Orleans with a blend of efficient offense and stingy defense that has helped it win four of seven after a 0-5 start.

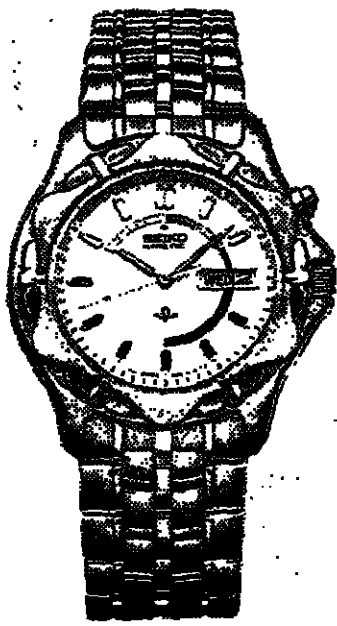
Trent Dilfer threw for 253 yards and one touchdown, and Tampa Bay's defense extended its string of holding opponents to 17 or fewer points to seven consecutive games.

Patriots 27, Colts 13 Curtis Martin rushed for 141 yards on a season-high 35 carries as the Patriots, who had the third worst rushing attack in the NFL, were never really threatened by the Colts.

Martin, the AFC rushing leader as a rookie last year, ran nine times on each of the Patriots' first two possessions.

Broncos 21, Vikings 17 Ed McCaffrey's 5-yard touchdown catch on a deflected pass from John Elway with 19 seconds to play gave Denver victory over Minnesota.

It was the 34th time Elway has rallied the Broncos in the fourth quarter during his career and it allowed Denver to win its eighth straight game.

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Mighty Ducks Shake Off the Red Wing Jinx

The Associated Press

ANAHEIM, California — Guy Hebert and the Anaheim Mighty Ducks finally beat the Detroit Red Wings.

Hebert, one of only five players left from the Mighty Ducks' first season in 1993-94, stopped 31 shots Sunday as Anaheim won 3-1 in the only National Hockey League game Sunday. It was the Mighty Ducks' first victory in 13 games against the Red Wings.

"I think back to opening night four years ago. They pretty much thrashed us," said Hebert, who lost 7-2 to Detroit in 1993 in the Ducks' first regular-season game. "It's been a long four years."

With the victory, the Ducks have defeated every team except the Florida Panthers, who also entered the NHL in 1993-94. The Panthers, who made the Stanley Cup finals last season, are 3-0-1 against their expansion cousins.

who have yet to make the playoffs.

The Red Wings, who have allowed more than two goals only five times in their first 24 games, fell behind 2-1 on goals 22 seconds apart by Teemu Selanne and Garry Valk through the second period.

Valk scored the go-ahead goal, taking Ted Drury's pass from the left corner and beating Mike Vernon to the glove side.

SCOREBOARD**BASKETBALL****NBA STANDINGS****EASTERN CONFERENCE****ATLANTIC DIVISION****CENTRAL DIVISION****WESTERN CONFERENCE****PACIFIC DIVISION****SUNDAY'S RESULTS****FOOTBALL****NFL STANDINGS****AFC DIVISION****NFC DIVISION****PLAYOFFS****HOCKEY****NHL STANDINGS****EASTERN CONFERENCE****WESTERN CONFERENCE****PLAYOFFS****NATIONAL CONFERENCE****EAST****CENTRAL****WEST****SUNDAY'S RESULTS****SOCCER****WORLD CUP QUALIFIERS****CONCACAF****EUROPE****AFRICA****ASIA****CRICKET****WEST INDIES TOUR****TRANSITIONS****BASEBALL****NATIONAL BASEBALL ASSOCIATION****MAJOR LEAGUE BASEBALL****BASEBALL****BASEBALL****BASEBALL****BASEBALL****BASEBALL****BASEBALL****BASEBALL****BASEBALL**

SPORTS

The World's Best Duel in Tokyo

By Rob Hughes

Special to the Herald Tribune

LONDON — This is as close as soccer gets to deciding the best club on earth in any year. In Tokyo on Tuesday Juventus of Turin, the European champion, faces River Plate of Buenos Aires, Champion of South America. It is a one-night stand. The prize is the World Club Cup, for which only two can play. The event has taken place in Japan since Toyota resited it in 1980 after home and away affairs became too torrid and too violent. Japan provides curious, but knowledgeable bystanders whose J-League blossomed on talents imported from the two main soccer continents.

I suspect they will see Juventus prevail, hopefully with more style and passion than Ajax did when it beat Gremio of Brazil on penalties after a scoreless match on a bumpy Tokyo pitch last year.

Tuesday's game could hinge on a dual between two Uruguayans. In River Plate's attack, Enzo Francescoli, 35 and

a gifted, wily campaigner, meets Paolo Montero, 25, a rock in the Juventus defense. Francescoli must remember Montero's father, Luis, an equally intimidating Uruguayan international.

Yet, whatever Francescoli conjures up, the River Plate team around him is unlikely to be resilient enough or disciplined enough to cope with the work ethic, the marvelous movement and know-how of Juve.

Alen Boksic is a Juventus match winner of stealth and spite. Alessandro Del Piero partners him with swift inventiveness, and behind them the French duo Didier Deschamps and Zinedine Zidane offer solidity and vision, respectively.

Since the summer, when coach Marcello Lippi recast Juventus with a turnover of \$50 million, the club has blended pace with meanness, conceding just eight goals and losing just once in 14 games in Serie A and the European Champions' League.

River Plate has also bought and sold since winning the Libertadores Cup, the

equivalent to the European Champions' Cup. Sales exceeded purchases by \$11 million, and fans felt short-changed by the departures, particularly of midfield power Martins Almeida to Sevilla and striker Hernan Crespo to Parma.

Those supporters rate Ariel Ortega a playmaker equal to Zidane. But they fear the defense is unreliable, and are not convinced that either Julio Cruz or the Chilean Marcello Salas has adequately replaced Crespo.

They also say that the players have grown lazy since reaping almost \$300,000 a man for winning the Libertadores, and that coach Ramon Diaz, who played in Italy and Japan, lacks authority over the team.

If their forebodings are correct, and if Juventus really covets this trophy, then Europe will triumph. If not, and if River Plate can rise to the challenge, then Ramon Diaz will be king.

Rob Hughes is on the staff of The Times of London.



Julio Rodas, left, and another member of Guatemala's soccer team kneeling in a tribute to the 84 spectators who died Oct. 16 in a pregame stampede.

Guatemala Raises Hopes For World Cup

Compiled by Our Staff From Dispatches

Juan Plata kept Guatemala's hopes of qualifying for soccer's 1998 World Cup alive with a goal on a penalty in a 1-0 victory over Costa Rica in Los Angeles.

Guatemala was awarded the 34th-minute penalty after Vladimir Quezada of Costa Rica was called for using his hand to advance the ball. Plata's successful kick delighted the pro-Guatemalan crowd of 22,727 at the Coliseum.

The victory put Guatemala in third place in Group 1 in the North America, Central America and Caribbean region with four points. Costa Rica remained second in the four-team group with six points.

The game originally was scheduled for Oct. 16 in Guatemala City, but was postponed after 84 spectators were killed in a stampede before the game.

Trinidad & Tobago 0, United States 1
Noon in the Caribbean may be prime time for sunbathing, but it can be brutal for soccer.

With the temperature at 90 degrees Fahrenheit (32 degrees centigrade) and humidity at 85 percent, Trinidad and Tobago wilted. While the home team took a breather after a foul in the 34th minute, John Harkes chipped a free kick to Joe-Max Moore, who kept running and lofted a 16-yard (15-meter) chip shot over a disorganized defense for the only goal in an exhausting victory.

With it, the United States advanced to the final round of qualifying for a berth in the 1998 World Cup in France.

The Americans will play three meaningless games next month in the continuing regional semifinal round.

In February, the United States will begin home-and-away matches against five other regional finalists — Costa Rica, Mexico, Canada, Jamaica and, most likely, El Salvador. Three of those six will qualify for the 32-team 1998 World Cup. (NYT, AP)

An Early Finish for 7-Man Botafogo

Reuters

Botafogo, the defending Brazilian league champions, ended a dismal game five minutes early after four of its players were ejected and a fifth collapsed.

Botafogo had been reduced to seven men, trailed Portuguesa, 4-1, and was facing a penalty kick when winger Mauricio fell to the ground clutching his leg in the 85th minute.

The referee waited 10 minutes before ending the game to give Portuguesa the victory. Under the rules, Botafogo had too few players to continue, having used all its permitted substitutes.

Botafogo started the second half with nine men. Franca had been dismissed for a violent tackle and Wilson Götardo was then ejected for arguing with the referee. Souza and Otacilio were sent off the field

for protesting the penalty. Rio de Janeiro newspapers on Monday accused Mauricio of pretending to be injured.

The victory gave Portuguesa a spot in the quarterfinals of the championship on the last day of the first stage.

Botafogo, which sold most of the team that won the title last year, finished 17th.

Goias, which beat host Gremio, 3-1, also advanced to join Cruzeiro, Palmeiras, Guarani, Atletico Paranaense, Atletico Mineiro and Gremio, which had already clinched places in the play-off stage of the tournament.

Goias overtook Sport Recife, which lost, 4-1, to Palmeiras, and Internacional, which missed a penalty as it lost, 1-0, to the bottom-ranked club Bragantino. Fluminense, one of Brazil's biggest

clubs was relegated to a lower division despite beating Vitoria, 3-1. Criciuma and Bahia both won away from home.

ARGENTINA Boca Juniors recovered from a week of internal strife to thrash Huracan, 6-0. Boca had dropped to 10th last week after losing to Banfield.

During the week, Boca's coach, Carlos Bilardo, demoted goalkeeper Carlos Navarro Montoya, who responded by saying: "The substitutes' bench is no place for me."

Helped by the dismissal in the first half of Huracan's striker Claudio Garcia, Boca appeared to forget its problems after Julio Torresani put the team ahead in the 16th minute.

Lanus, a suburban Buenos Aires team, went to the top of the standings by beating Newell's Old Boys, 2-0.

Karrie Webb Becomes 1st LPGA Millionaire

By Thomas Bonk

Los Angeles Times Service

LAS VEGAS — So, what should you call that 12-foot eagle putt Karrie Webb made on the 15th hole Sunday in the ITT LPGA Tour Championship?

A bank shot, naturally, because once that golf ball hit the bottom of the hole, it was pretty clear the only thing that could keep Webb from completing her four-shot victory was if she somehow slipped on a deposit slip and wrenched her back...

For Webb, it was a great day to become a millionaire. Her closing round of 65 was worth not only \$150,000 for winning, but it also put her over \$1 million in prize money this year — the first time in LPGA Tour history anyone has done that.

"It feels great because no one can ever say she was the first to win a million dollars except me," Webb said.

In the final accounting, the 21-year-old Australian, an LPGA Tour rookie, cleared the millionaire hurdle by only \$2,000, finishing at \$1,002,000.

In Sunday's action, Nancy Lopez, Emilee Klein and Kelly Robbins came closest, but they still finished four shots behind Webb. Nobody came within three shots of Webb over the last nine holes, mainly because of the way she overpowered the user-friendly 6,324-yard Desert Inn layout.

Her lead was two shots when she got to the 471-yard, par-5 10th, which Webb birdied. She also birdied the 377-yard, par-4 13th, then put the tournament away with her eagle on the 453-yard, par-5 15th. Klein, who was playing in the final two-hole with Webb, knows the effects of an eagle when she sees one.

"That was kind of a closing factor," Klein said. "Although she closed with a 67, Laura Davies couldn't get close enough to put pressure on Webb and finished tied for fifth."



Karrie Webb of Australia celebrating as she was about to eagle the 15th hole of the ITT-LPGA Championship in Las Vegas.

Graf Holds Gritty Claim to Center Stage

By Robin Finn

New York Times Service

NEW YORK — She did it the hard way, she did it the merciless way and, as usual, she did it despite winning from a catalogue of aches and pains.

But 2 hours and 49 minutes after Steffi Graf took center stage on Madison Square Garden's bright blue tennis court, the defending champion of the Chase Championships retained her title by fending off the former, ably represented Sunday by the 16-year-old Martina Hingis, with an uneven and eerie victory, 6-3, 4-6, 6-0, 4-6, 6-0.

The Championships title was the fifth of Graf's career. She won it because she was able to overcome her sore back and left knee, both of which she tried to freeze into insignificance with ice packs, and outlast the cramp-ridden Hingis's clever and ultimately heroic playmaking.

"In that perspective, I really outdid myself again," said Graf, whose 1996 season was almost a mirror image of the 1995 season.

Again she won all three Grand Slam events she entered — the French Open, the U.S. Open and Wimbledon; again she finished her season by emerging victorious from a five-set finale here, and again she endured a laundry list of off-court distractions that began with the arrest of her father, Peter, on tax evasion charges in August 1995.

That it was Graf, whose health has been anything but reliable, who was the only player left standing at the end of the year was not an irony that escaped her.

"To win a match in five sets is a little ironic, absolutely," she said. "It's been a really, really long year for me."

But the 27-year-old Graf says it is because of the stirring matches like this one that retirement is not yet an option for her.

Last year she defeated Anke Huber, 6-1, 2-6, 6-1, 4-6, 6-3, in this final, so precedent was on her side in the only women's tournament to test its finalists with a three-of-five-set format.

The precocious Hingis was attempting to become the event's youngest champion and the first player to prevail on her first attempt since Evonne Coolidge, cruised through her Championships debut in 1974. This year, the fourth-ranked Hingis claimed the first two WTA Tour titles of what promises to be a lengthy career, and she picked up her first slam championship at Wimbledon, where she made history, at age 15, by winning the doubles title alongside Helena Sukova.

Although Hingis was a newcomer to this event, Graf is convinced she poses a serious threat.

"She's definitely the one to look out for, no question: she can hit incredible angles and her down-the-lines are probably the best around tennis," said Graf, who did not bother chasing the shots experience told her were

uncatchable and noticed that it took the lowest and stealthiest of backhand slices to bully Hingis into mistakes.

The arduous encounter on Sunday was Hingis's first trek into five-set territory, a faraway place where, if tennis observed something resembling a child labor law, she probably would have been forbidden to explore. Hingis was flushed, panting and flat-footed from cramps from the middle of the fourth set on, but she refused to cede the match without putting up a full fight.

She did that despite being hobbled by cramping in her left thigh that made serving a near-impossibility.

She was not allowed to be treated by the court-side trainer and it enveloped her just after she broke Graf and took a 5-1 lead in the fourth set.

Hingis admitted her condition hurt in two ways.

"Somehow I just wanted to cry," she said, not just about the pain, but about the injustice of losing her fitness when she had pushed Graf to the limit. "You make a fifth set against Steffi and then you're not able to force her anymore. But she's a big player and she can handle it better than I do."

By the fifth set, the players were not the champion and the challenger anymore; they were the walking wounded, and their combat was painful to watch. But they not only duelled on, they tortured each other with drop shots that might just as well have been launched by stun guns.

DENNIS THE MENACE



"You go back home, back... but the Mitchell kid is the best thinker's helper I've got!"

PEANUTS



GARFIELD



BEETLE BAILEY



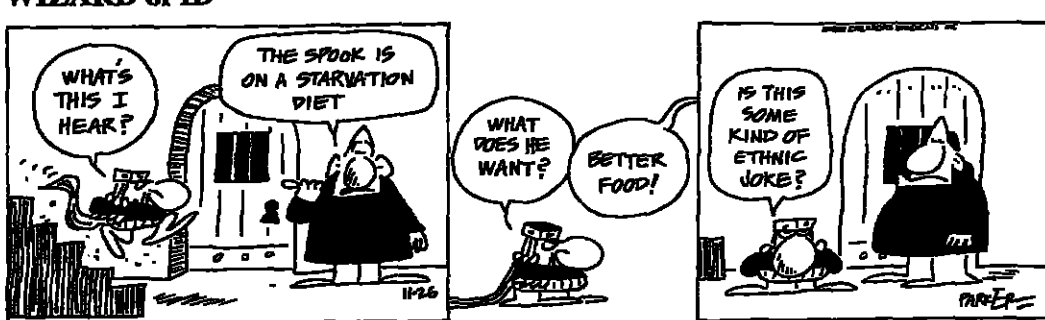
BLONDIE



CALVIN AND HOBBS



WIZARD of ID



THE FAR SIDE



DOONESBURY



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ART BUCHWALD

Greetings From Cuba

WASHINGTON — No body knows if the Pope really wanted to see Fidel Castro or if Castro really wanted to see the Pope.

But they did meet, and people commented on how nice Castro looked in his new suit, and how the Pope dressed down — by wearing the same clothes he wears every day.

The visit came as a surprise to everyone, especially the CIA, which was so busy looking for its own spies that it didn't have time to track Castro on a boat heading for Italy.

When the word got out that Fidel was visiting the Vatican, the State Department flipped. An assistant secretary called the Bay of Pigs desk and said, "Doesn't the Pope realize it's against American law for him to shake hands with the bearded one?"

"His Holiness is not an American."

"All the more reason not to see Castro. We won't let the Canadians deal with Cuba, and we don't want a Polish Pope trading handshakes with Fidel."

"It's too late," the desk said. "They have spent time together and the Pope has promised Castro he will visit him in Cuba."

This infuriated the secretary. "Why didn't our people in Havana warn us this was going to happen?"

They did, but Castro's side put out the word that he was dressing up to go to Moscow to do the macarena with Boris Yeltsin.

"What went wrong with our agents in the Vatican?"

"They should have been suspicious when a box of Havana cigars landed by parachute on the balcony of the pontiff's living quarters."

Unfortunately, they were so intent on planting a mole in the church choir that they didn't guess who was coming to dinner.

"We're not going to stand for this. At least, Jesse Helms is not going to stand for it. If Castro and the Pope have signed anything, we'll impose a trade embargo on the Vatican and boycott anything they export."

"You're right. Anyone who plays footsie with Cuba doesn't have a prayer of getting a trade break with the United States."

"Mr. Secretary, the phone's ringing off the hook with calls from Cubans in Florida who want to know what we plan to do about this meeting between the Pope and Castro. They say it's a cat-bombing time for St. Peter's Square."

"We have to check it out with the White House. If we bomb Bosnia, Iraq and the Vatican, we're going to spread ourselves awfully thin. What concerns me most is that now the door from the Vatican has been opened up to Castro, every Catholic country will agree to see him. The man has to be stopped."

"Sir, I just got a fax from CIA headquarters."

"Castro being fitted for a new suit at Sulka's. Believe this means he's planning rendezvous with Fergie, the Duchess of York, in Trafalgar Square."

By Joan Dupont

International Herald Tribune

PARIS — She is not keen on martial arts, nor does she sing. "I tried to do kung fu, but I'm not very good," says Maggie Cheung. Hong Kong's little sweetheart became a star in an industry that expects actors to draw swords, turn cartwheels and cut records. "Only 20 percent of us are pure professionals, the others are show-business performers," she says.

Cheung played in action movies, a discreet girl next to the gangster, and teen comedies, before attracting directors like Ann Hui, Wong Kar-Wai, and Stanley Kwan. Perhaps her most acclaimed role, and her most mature, was as a legendary Shanghai movie star in Kwan's "The Actress." Now in Olivier Assayas' comedy, "Irma Vep," her first foreign film, she plays a famous Asian actress named Maggie Cheung, invited by an aging New Wave director who is doing a remake of a cult vampire movie.

As Irma, masked from top to toe in sleek black latex, the visitor from Hong Kong prowls the set trying to figure out what these French movie maniacs want of her.

The director, played by Jean-Pierre Leaud, is having a breakdown, the costume girl, played by Nathalie Richard, is coming on to her, "which made me blush, really blush, a precious moment," she admits in her polite English, while the crew worries about their fate — and the fate of French cinema.

"For once in my life, I was aggressive with people on the set and tried to communicate; that's why I wanted to come to Paris, to be an outsider. To them, I was a new actress. In Asia, I've been doing films for 12 years and I was beginning to repeat myself — I wanted that alien feeling."

Cheung, 32, has a face that can be simply pretty or light up with a lunar beauty. In her left bank hotel, wearing jogging pants and a loose shirt, she appears scrubbed of the star's accoutrements. Her English has intriguing layers; mostly, she says, it's cockney.

"My parents were from Shanghai and I was born in Hong Kong; we moved to England when I was 8 until I was 17, but I feel totally Chinese. Hong Kong is not completely China either, it has a culture of its own, mixed with English culture and laws — yet I feel Hong Kong is still more Chinese than mixed."

Raised on Hong Kong and Hollywood movies, at the mention of the New Wave,



Maggie Cheung playing Maggie Cheung playing Irma Vep in remake of "Vampires."

she hesitates. "You mean Hong Kong New Wave or French New Wave? I've seen French films on tape. I know the recent ones and I'd heard of Leaud's film — was it 'Day for Night' by Truffaut?"

"European films have a different rhythm, the way people look and act is different. Don't you feel the same way about Hong Kong films?"

Cultural confusion is her element these days, and this wry awareness went into Cheung's performance as an innocent Chinese vampire abroad. "Just speaking English in a film is new to me, so I didn't plan how I was going to react, I let things happen. Leaud is an actor who changes with each take, and I couldn't understand him because he mumbles, so it was great for the part of Maggie Cheung who admires this great director, but is a bit afraid."

Irma Vep, an anagram for Vampire, was the heroine of Louis Feuillade's 1915-16 cult serial, "Vampires." Louis Aragon once de-

scribed Musidora, the star, as a "magnificent beast of the shadows, our Venus."

Assayas, who fell under the spell of Asian films in 1984 as a young critic, felt that Cheung was the only actress who could recreate the mythic part. "Olivier had seen a lot of Asian films, just about everything I did," she says. "But maybe when he first came to Hong Kong to cast, he wasn't so sure who I was: It's confusing to remember all those Hong Kong names."

Elected Miss Hong Kong at the age of 18, Cheung went on to play Jackie Chan's protegee in "Police Story" — "I was the girl who gets beaten up and he rescues me." Her first Taiwanese movie was Wang Shaud's "The Yellow Story" (1987): "I was pretty green then, it was a breakthrough." In Hui's autobiographical "Song of Exile," she was a Hong Kong girl who discovers her mother's secret, her Japanese origins. Kar-Wai's "As Tears Go By" was a turning point: a gangster's shy country cousin becomes a tragic

heroine. "That's what I like about acting, changing all the time. Mostly," she says. "I've played baddish girls, not bad-bad, but strong, independent."

"The Actress" (1991), shot in Shanghai studios, was modeled on Ryan Ling Yu, the great Chinese star of the '30s. The film won prizes at festivals and launched Cheung internationally. "In the film, I had to speak Mandarin, which I don't speak like a local, so I was dubbed," she says. "It was the first time I had such a heavy part — I'd say it was a first for a Hong Kong actress. These parts don't come along often, strong dramatic parts; it's still the men's world." She is thinking of studying Mandarin to work with directors she admires, such as Hou Hsiao Hsien of Taiwan and Zhang Yimou of China.

Originally, she wanted to be an actress because "it seemed glamorous — being beautiful all the time, people giving you pretty things to wear, the money. I was a model, and it seemed more natural to act than to go back to working in a bookshop, the way I had in London. Now I want the opposite: I want to be a normal person. In Hong Kong I'm like the queen on the set; here, I sit on the floor with everyone."

She has just finished acting the middle sister in "Song Dynasty," about the sisters who married Nationalist leaders Sun Yat-sen and Chiang Kai-shek, and is about to do her fourth Kar-Wai film: "He's my favorite, he's an actor's director, and I think he'll stay in Hong Kong — good for him."

Cheung doesn't feel threatened by the colony's imminent changeover to Chinese rule, saying, "Hong Kong is my life. I want to stay and see what's going to happen, unless it's unbearable." Yet, looking at an article on Wang Dan, the recently convicted Chinese dissident, she exclaims, "An 11-year term! The poor kid. He's such a great guy, he's my hero."

She's happy to have done her first foreign film in France rather than America. "It's simpler here, you don't have to please. And I don't want to do a bad part in a bad film — it's too much to ask from me. If I were 22, I might have wanted it, but now, it depends on the project: Wherever it comes from — Europe, Asia, the States, I want something to excite me. If it's one of those action parts, or a stereotypical Chinese character, I'm not interested, and I know that the people in Hong Kong would be ashamed of me if I have a small part in a big film and look stupid — I don't want them to be disappointed."

PEOPLE

MASTERPIECES by Picasso, Brancusi, Bonnard and Braque are among 32 works left to the Metropolitan Museum of Art and the Museum of Modern Art in New York by a department store heiress. The works, owned by the late Florene May Schoenborn, are valued at \$150 million. The New York Times reported. Schoenborn, who died in August 1995 at the age of 92, was a trustee of the Museum of Modern Art and a longtime friend of William S. Lieberman, chairman of the Metropolitan's 20th-century art department. The paper said, Schoenborn was the daughter of David May Sr., founder of the May Department Stores. Philippe de Montebello, director of the Metropolitan, said, "In one fell swoop, these works cover a major chapter in the history of art." The Met will receive 18 paintings and sculptures and the Museum of Modern Art will receive 14.

Waving their hands and chanting their rock idol's name, thousands of die-hard Johnny Hallyday fans filled a Las Vegas theater to listen to the French rocker. Hallyday, 53, is little known in the United States, but in France, he has remained a beloved pop star for decades. "He's like Elvis Presley," said Jeanine Paisais, who moved to Las Vegas several years ago from France. About 6,000 French fans flew on chartered planes to Las Vegas for the show. Ellis

Rubenstein, one of the few Americans in the audience, said he just heard about the concert that afternoon. "I met a French gentleman. He said Hallyday was really good. They seem to be really big-time fans," he said.

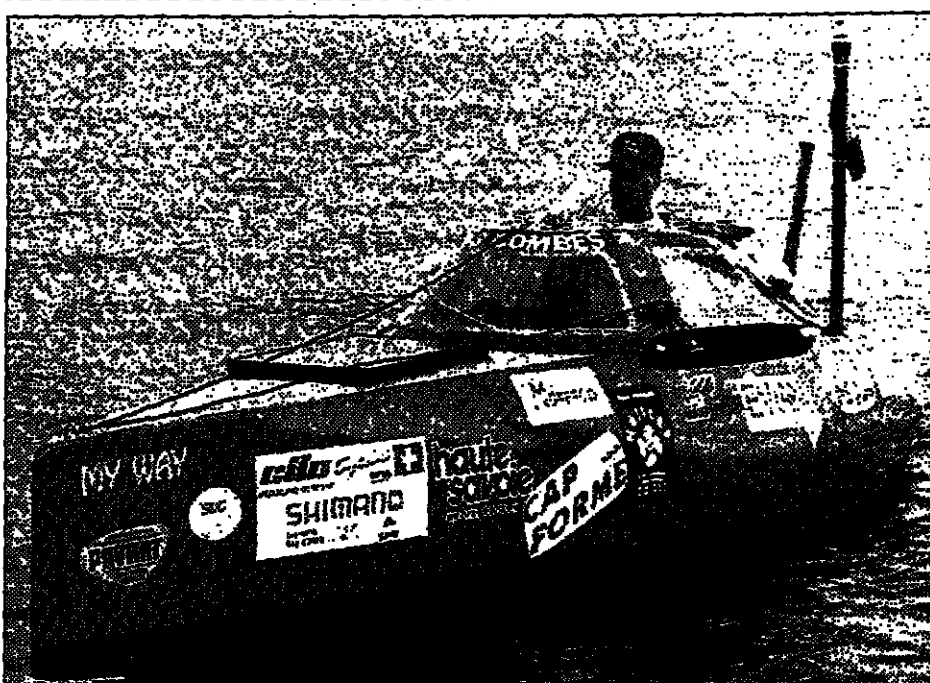
Nine demonstrators, including the actor Woody Harrelson, were arrested in San Francisco after they scaled the towers of the Golden Gate Bridge to demand that the government protect a redwood grove from logging. Hanging from rock-climbing gear, the protesters stretched out banners high above the roadway. They dangled 200 feet (60 meters) above an all-day traffic jam that formed as motorists slowed to stare. "I shamelessly and proudly call myself a tree hugger," Harrelson said. They were booked on charges of trespassing, failure to obey a peace officer and creating a public nuisance.

After winning this year's Nobel Prize for literature, the media-shy Polish poet Wislawa Szymborska said she wished she had a double to make public appearances for her. So a Polish tabloid decided to help her find one. The popular Super Express newspaper has announced a look-alike contest and has asked readers to send in a photo if they think they could pass for the 73-year-

old poet. The winner will be selected during a Christmas television show, and a Super Express spokeswoman said Szymborska had agreed to appear on the show. But her publisher and friend, Ryszard Krynicki, said that he knew nothing about the contest.

The sudden departure of the star of a popular Mexican soap opera has left Mexicans up in arms and the television industry in turmoil. Ana Colchero walked off the set of the hit show "Nothing Personal" just weeks before its cliffhanger ending, leaving the soap opera in the air and the TV Azteca network reeling. Colchero said she deliberately quit to kill off her character, Camila, who began as a courageous and intelligent woman but later changed into an lying, irate schemer. "It would be much better for Camila to disappear," she said. "This was not the character agreed upon, and I had the moral obligation to put a stop to it."

Joseph B. Keller, 73, a professor at Stanford University, and Yakov G. Sinai, 61, a senior researcher at the Landau Institute of Theoretical Physics in Moscow and professor at Princeton University, will share Israel's 1997 Wolf Prize in mathematics. The two will split the \$100,000 prize.



ALL FOR ELVIS — It's going to take Didier Bovard a while to go from Evian-les-Bains on Lake Geneva to Memphis in his pedal boat. The French Elvis fan hopes to make it in time for the 20th anniversary of the King's death, on Aug. 16, 1997.



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